



IAIS 25
YEARS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Public

Public consultation comments on overall ComFrame:

Introduction to ComFrame

IAIS Glossary Terms

ComFrame in ICPs 5, 7, 8, 9, 10, 12, 15, 16, 23, and 25

31 July – 30 October 2018

Introduction to ComFrame and Glossary terms

Organisation	Jurisdiction	Confidential	Answer
Q1 General comment on Introduction to ComFrame			
1. Insurance Europe	Europe	No	<p>Insurance Europe welcomes the opportunity to comment on the overall draft ComFrame and the IAIS' decision to grant an extended period for consultation.</p> <p>On the overall consultation, Insurance Europe appreciates the IAIS' efforts to clarify how requirements are to be applied across an IAIG - ie for example, whether they are applied at the group level or the legal entity level. Additional guidance on what approach should be taken if the group-wide and legal entity supervisors have different expectations would be appreciated.</p> <p>As IAIGs will be expected to comply with both - ICP-level as well as ComFrame provisions - and as the IAIS did not seek feedback on all ICP-level provisions in the previous 2017 consultation, Insurance Europe has now also included preliminary comments on ICPs in the introductions. A review of the overall regime applicable to IAIGs calls for an overall / broad consultation. Insurance Europe would therefore appreciate it if the IAIS took these comments into consideration despite going beyond the scope of this consultation.</p> <p>On the introduction to ComFrame and Glossary terms, Insurance Europe continues to support proportionality as an overarching principle for all ICPs and ComFrame provisions. In terms of the description of proportional application of the IAIS material (paragraph 9, second bullet point), Insurance Europe would suggest that listing the IAIS' objectives (protection of policyholders, the sector, and financial system as a whole) is not necessary. Conceptually, supervisors will follow their defined objectives in all of their activities. The principle of proportionality is a means of how to implement / apply provisions in order to achieve these objectives which - within the framework of ICP 1 - may vary across jurisdictions (and therefore, may not cover exactly the list currently provided in paragraph 9. Insurance Europe would therefore suggest that the second bullet point be redrafted, for example as follows:</p> <p>"- Application - proportionality allows the supervisor to increase or decrease the intensity of supervision according to the according to the nature, scale and complexity of the risks inherent in the business of an insurer. The supervisor will thereby consider the objectives of insurance supervision as defined in the primary legislation of its jurisdiction. A proportionate application..."</p> <p>Furthermore, Insurance Europe believes that confidentiality should find reflection in the introduction as it is crucial that high standards are applied in relation to all provisions set by the ICPs and ComFrame standards.</p>

2. German Insurance Association	Germany	No	GDV welcomes the opportunity to comment on the overall draft ComFrame.
3. Institute of International Finance	Global	No	<p>The Institute of International Finance (IIF) and the Geneva Association (GA) welcome the opportunity to provide comments to the consultation package dated July 31, 2018 on the draft overall ComFrame. We appreciate the extensive work undertaken by the IAIS to shape the post-crisis regulatory framework. IIF and GA have been actively engaged in constructive dialogue with the IAIS on the development of ComFrame, and the Risk-based Global Insurance Capital Standard (ICS), since the launch of the project, and we look forward to continuing this dialogue.</p> <p>Our comments on ComFrame address the following key themes:</p> <ul style="list-style-type: none"> - ComFrame, the ICS, and other ongoing global insurance regulatory policy initiatives should form a comprehensive and integrated insurance policy framework - ComFrame should allow for a wide range of regulatory frameworks and effective supervisory approaches - Disconnects between the Insurance Core Principles (ICPs)/ComFrame and the ICS must be addressed - ComFrame components should be better aligned <p>In addition, we offer some specific comments on ComFrame 16.13, Recovery Planning, and ComFrame 12, Exit from the Market and Resolution.</p> <p>ComFrame, the ICS, and other ongoing global insurance regulatory policy initiatives should form a comprehensive and integrated insurance policy framework</p> <p>We have submitted a separate response to the ICS Version 2.0 consultation. However, considering the inherent linkages between ComFrame and the ICS, we request that the IAIS consider our comments on the individual documents as applicable to both ComFrame and ICS, as well as in the broader context of the overall framework of IAIS and Financial Stability Board global insurance regulatory policy initiatives.</p> <p>ComFrame and the ICS are, collectively, intended to provide a fundamental insurance policy framework for regulators and supervisors to advance the goals of protecting policyholders, maintaining fair, safe and stable insurance markets, and contributing to a level playing field for internationally active insurance groups (IAIGs). We support the goals and objectives of ComFrame and the</p>

		<p>ICS and encourage the IAIS to closely align and integrate the work on ComFrame, the ICS, and other IAIS policy initiatives, including work in train on systemic risk and recovery planning.</p> <p>We acknowledge the practical necessity of completing the insurance policy framework through different IAIS workstreams operating in parallel, but encourage the workstream leads and Committee chairs to resist the natural tendency to operate in silos. We also encourage a thoughtful phasing of the work in progress. To this second point, we would note that, while ComFrame materials relevant to ICP 16, Enterprise Risk Management for Solvency Purposes, is the subject of the current consultation, the IAIS is developing an Application Paper on Recovery Planning for release later this year. It may not be possible for the IAIS to consider fully the comments received on the ComFrame materials relevant to ICP 16 in time to inform the drafting of the Application Paper. We respectfully suggest that the release of an Application Paper on Recovery Planning in 2018 may be premature.</p> <p>Similarly, another IAIS workstream is continuing work on the holistic systemic risk framework for insurance, including an activities-based approach to systemic risk (ABA). At present, we perceive a lack of alignment and integration between ComFrame and the systemic risk framework and between the current draft of the Application Paper on Recovery Planning and the ABA. For example, the current draft of the Application Paper references the proportionality principle by way of an example that describes the size of an insurer compared to the overall insurance market, a concept that is not in alignment with the approach to size contained in the ABA.</p> <p>ComFrame should allow for a wide range of regulatory frameworks and effective supervisory approaches</p> <p>The ComFrame introduction indicated explicitly that, "ComFrame seeks to assist supervisors in: addressing group-wide activities and risks; identifying and avoiding supervisory gaps; coordinating supervisory activities efficiently and effectively between the group-wide and other involved supervisors. ComFrame also aims to provide a basis for comparing IAIG supervision across jurisdictions; however, it does not create a one-size-fits all approach to IAIG supervision." (Emphasis added.) We strongly support the language and believe that a wide range of existing regulatory frameworks and supervisory approaches should be recognized in ComFrame. However, specific ComFrame standards appear to be inconsistent with this introductory language. We have identified a few instances where the ICP/CF language conflicts with existing jurisdictional practices.</p> <p>For example:</p> <ul style="list-style-type: none"> - There are multiple instances where standards prescribe requirements for policies, documents, frameworks, overviews, etc. to be produced and then require specific content and/or elements to be reflected in the documentation. The prescriptive language precludes different jurisdictional approaches and the distinct possibility that the required content already exists but sits elsewhere, resulting in potentially needless and duplicative documentation (e.g., 7.0a1, 8.6a, 16.1c, and 16.7e and 16.7e1) - There continues to be insufficient recognition of risk-based approaches, which are already in place in many jurisdictions. Section
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		<p>in the criteria for the buckets.</p> <p>- Although the ICS will ultimately become a component of ComFrame, it is still being developed as a separate standard, and will continue to be tested before any final decisions are made in terms of its implementation. As the standard is under development, it is premature to insert the ICS into supervisory college discussions and to include guidance related to ICS reporting in ComFrame. In particular, ComFrame 9.4.a provides that the group-wide supervisor would require the Head of the IAIG to report the reference ICS and, at the option of the group-wide supervisor, provide any additional reporting. ComFrame 25.6.c states that the members of the IAIG's supervisory college would discuss and assess a summary of the reference ICS prepared by the group-wide supervisor, as well as a summary of any additional reporting that has been reported at the option of the group-wide supervisor. Given that the ICS is not yet adopted or implemented, ComFrame guidance on reporting should be deferred and this section should be deleted until after the conclusion of the Monitoring Period. Please refer to our comment letter on the ICS, where we express our strongly held view that the ICS should only be reported to group-wide supervisors, and not to the entire supervisory college, during the Monitoring Period.</p> <p>ComFrame components should be better aligned</p> <p>We appreciate the receptivity of the IAIS to prior comments during the public consultation in spring 2017, as reflected in the current ComFrame draft, including comments on the structure of ICP 10 and the movement of ComFrame material on recovery planning to ICP 16, Enterprise Risk Management for Solvency Purposes. However, we continue to note some continuing misalignment of different components of the ComFrame framework.</p> <p>For example:</p> <p>- In ComFrame 8.1.c, the expression "sound risk culture" is used whereas, in ComFrame 8.1.c.1, the expression "appropriate risk culture" is used. We believe that the IAIS intends the same meaning in both references and, thus, should use the same language. [We would favour the use of the phrasing "appropriate risk culture," as this is more reflective of a risk-based approach.]</p> <p>- In ComFrame 8.4.a, the expression "group-wide risk management function" is used whereas, in ComFrame 8.4.b, the expression "IAIG risk management function" is used. [We prefer the latter formulation, as it reflects that the risk management function in a complex insurance group may not be the same across all of the group's operations.]</p> <p>In addition, for clarity, we request further elaboration of the IAIS's views on what would constitute a "material effect on the supervision of the IAIG" in ComFrame 10.6b.</p> <p>Comments on ComFrame 16.13 Recovery Planning</p>
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			plans are necessary for IAIGs we ask that the authorities reference all six factors outlined in CF 12.3.a.1 equally. This would ensure that all factors are viewed as important for a group-wide supervisor and/or resolution authority and IAIG Crisis Management Group to consider when determining if a resolution plan is needed and/or the degree of planning required. The IIF and GA also believe it is critical to include the consideration of an additional factor: an analysis of an IAIG's vulnerability to significant financial distress.
4. AIA Group	Hong Kong	No	AIA is pleased to provide comments on the Draft overall ComFrame. AIA supports the development of proportionate supervisory standards focusing on the effective group-wide supervision of IAIGs. While we appreciate that ComFrame provides a framework for best practices with respect to IAIGs, some of the ICPs remain in our view overly prescriptive and we suggest there be more flexibility under ComFrame taking into account what is material to the IAIG given its nature, scale and complexity. Should requirements be applied in an overly prescriptive manner, the costs of compliance with ComFrame may outweigh the benefits. We look forward to the compiled comments on the consultation and participating in any further consultations or discussions.
5. The Life Insurance Association of Japan	Japan	No	Application Paper on Group Corporate Governance approved by IAIS in November 2017 states that both more centralized and more decentralized are allowed as the governance model of IAIG. Furthermore ComFrame clearly states that IAIG have different models of governance such as more centralized or more decentralized and ComFrame does not favor any particular governance model. Since there are some provisions that seem to be described only in the IAIG that have more centralized governance model, we would like IAIS to clarify as much as possible that more decentralized governance model is allowed.
6. ECIROA	Luxembourg	No	Introduction: Based on the requirements of OECD (Beps Papers) and European Commission (ATA Directive), all policyholders (esp. in Industry, Trade, Finance) are obliged to post their cost according to the transfer pricing principle in those locations/countries where the cost are located. In the ICPs is a missing link between the requirements for policyholders and the Insurance market. The policyholders and the insurers -usually the IAIGs- cannot assign the appropriate arms` length premium to the the respective insured entity. The Multinationals place their International Insurance Programs covering various risks of their entire group (including all legal intities and branch offices) in the global insurance market insuring high sums insured and with a broad policy wording. The requirement, following the Transfer pricing Principle to assign and allocate the appropriate premium for the broad cover with high sums insured premium to the various countries and entities, cannot be fulfilled due to the non-admitted rules of the majority of all members of IAIS. This is valid for individual countries as well as regions (Europe). Therefore we propose a solution with an additional ICP to close this gap.

		<p>The target is to improve or -in some cases- to introduce the appropriate insurance protection for the consumers and claimants suffering under huge or catastrophic scenarios and events which hit the policyholder or where the policyholder could be held liable.</p> <p>The consumers or claimants don't have access to the worldwide insurance cover which is purchased by Multinationals to protect either their property or the liability in the various countries of their activity. The appropriate high sums insured cannot be purchased in each and every country additionally - the insurance and reinsurance market worldwide doesn't provide this - it is a capacity problem which might be increased with the future requirements under the expected ICS.</p> <p>In the following we will explain the current scenario with a gap analysis and propose how to fill this gap to the best of consumers and claimants with the understanding of a serious customer protection philosophy /expectation</p> <p>This gap analysis is based on COMFRAME (Common Framework for the Supervision of Internationally Active Insurance Groups) which is built and expands on the high level requirements and guidance currently set out in the IAIS Insurance Core Principles (ICPs)</p> <p>Peter Braumüller, Chairman of the IAIS Executive Committee, pointed out the three main mission targets of IAIS, namely:</p> <ul style="list-style-type: none"> - Consumer protection (Wahrung der Versicherteninteressen) - Maintenance of well functioning insurance markets (Aufrechterhaltung funktionsfähiger Versicherungsmärkte) - Sustainable contribution to the global Financial Markets` stability (Beitrag zur globalen Finanzmarktstabilität) <p>(Source: Public Speech/Vortrag, Handelsblatt Veranstaltung, 14.7.2014, München)</p> <p>ECIROA (European Captive Insurance and Reinsurance Owners` Association) argues, supported by CICA (Captive Insurance Companies Association) and the vast majority of all internationally active Insurance Groups (list of supporters), that consumer protection and partially the maintenance of a well functioning insurance market cannot be achieved with the existing requirements of the ICPs when we look on the structure and conduct of International Insurance Programs.</p> <p>Why? All papers and documents of IAIS describe and determine which requirements have necessarily to be observed and controlled by local supervisors. Insurers shall follow local regulation which is/should be based on the ICPs or at least is in accordance with these principles. The problem we want to discuss with IAIS and which should be eliminated is not considered neither in the ICPs nor in COMFRAME papers - the cross border insurance need of globally active Industries, Trade and Financial Institutions, all of them customers of the Insurance Companies, both groups domiciled in all countries.</p>
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		<p>Conclusion</p> <p>In the attached presentations (ECIROA) we describe the advantages for all market participants. This shows that not only the Insured or a suffering claimant will draw advantage out of the partial opening of said markets, but also the local economy, the tax man (gaining additional Insurance Premium Tax), local Insurance carriers (which provide additional services on the administration and claims handling side plus a learning effect in various lines of insurance).</p> <p>There are some macroeconomic effects on employment, not only in the insurance sector but also in cases where -after a catastrophic event- the Insured may consider to move its activities into another country with less restrictions to re-erect a plant.</p> <p>We are convinced that our request and proposal will lead to a win-win-situation of all participants and stakeholders. Even the local regulators and supervisor will be more compliant as for the time being. To a certain extent we believe they are aware of existing non-compliance of all the stakeholders named in this paper. They will definitely add value to their performance, the quality standards and security in their domiciles and a higher level of certainty that suffering Third Party Claimants will be indemnified after catastrophic events.</p> <p>With this request and proposal once the IAIS community would follow there is no party or stakeholder which would be negatively harmed or hurt in their actual positions. All of the stakeholders are improving their own and the position of their counterparties. The level of compliance guaranties that today's insufficiencies could be drastically be reduced.</p> <p>See attached pdf. -on request we send more detailed information - pdf. cannot be attached</p> <p>The solution we propose is drafted in a suggested new ICP which has the following wording: ECIROA Initiative together with major Insurers and Reinsurers</p> <p>First Draft to discuss the Implementation of an additional ICP providing prudential regulatory provisions how to treat International Insurance Programs (IIP) - Guenter Droese/ECIROA, April 30 - 2016</p> <p>ICP 27 (-NEW-) Conduct of Cross-Border-Business as part of International Insurance Programs (IIP) to protect the activities of Multinational Corporations (Insured) and local citizens as potential prospect Claimants. The supervisor thus allows strengthening public of trust and individual confidence in the insurance sector to the advantage of all stakeholders in the market.</p>
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			<p>insurance such as earthquake / volcano eruption / flood / windstorm / hurricane / tsunamis and others.</p> <p>-Premium growth in local market (additional employment and income opportunities)</p> <p>-Entire opening of insurance market is not necessary - either local Insurer and/or insured Multi will prove cover and allocation keys!</p> <p>-All market participants will fulfill the various requirements once the concept is introduced this includes Insurers, Reinsurers, Customers (Multinationals), Brokers</p> <p>-All rules and regulation setting authorities will achieve more transparency and correctness in P+L and Balance Sheet of Multis and Insurers - this includes Supervisors as well as Tax Authorities, Accounting - Standardization Boards, OECD</p> <p>-Local Companies and Individual Citizens will achieve the opportunity to receive indemnification for suffering loss, damage or injury on the most sophisticated and highest level of insurance cover available</p> <p>-Once this initiative will be accepted, the Implementation of an additional Core Insurance Principle will lead to a win-win-situation for all named above</p> <p>We appreciate you reading the above in the best interest of those which have today to suffer under this gap of potetially available access to insurance protection.</p>
7. American Academy of Actuaries	United States of America	No	<p>October 19, 2018</p> <p>Mr. Jonathon Dixon Secretary General International Association of Insurance Supervisors c/o Bank for International Settlements CH-4002 Basel Switzerland</p> <p>Re: Public consultation on the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame)</p> <p>Dear Secretary General Dixon,</p> <p>On behalf of the Solvency Committee of the American Academy of Actuaries, I appreciate the opportunity to provide comments on</p>

		<p>the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), dated July 31, 2018.</p> <p>Below are our comments and suggested changes to the ComFrame document, outlined by section:</p> <p>General Comment International insurance markets are diverse; they have unique customers, products, organizational structures, legal frameworks, regulatory oversight, and risk profiles. These characteristics differ not only across various markets but also among groups operating within the same market. In addition, there is sometimes significant overlap between the risk management and actuarial functions within a group. While it is appropriate to distinguish between the actuarial and risk management functions, we believe a degree of overlap is entirely appropriate in the insurance space, particularly in the context of topics related to financial risk. For these reasons, we believe that mandating specific activities that should be performed by the risk management vs. actuarial functions within a group is overly prescriptive and inappropriate in a common framework. We suggest that the IAIS consider taking a more principle-based approach and outline general activities that a group should be conducting and allow the group to determine how best to organize itself to carry out those activities. In later sections of these comments, we outline sections where this might be applicable in the framework.</p> <p>*****</p> <p>Thank you for this opportunity to provide our views on the ComFrame public consultation. If you have any questions or would like to discuss this letter in more detail, please contact Nikhail Nigam, the Academy's policy analyst for risk management and financial reporting issues, at +1 202-223-8196 or nigam@actuary.org.</p> <p>Sincerely,</p> <p>Elizabeth K. Brill, MAAA, FSA Chairperson, Solvency Committee Risk Management and Financial Reporting Council American Academy of Actuaries</p> <p>cc: Steven J. Dreyer, Director, Federal Insurance Office, U.S. Department of Treasury Commissioner Katherine L. Wade, Chair, International Insurance Relations (G) Committee, National Association of Insurance Commissioners David K. Sandberg, Chair, Insurance Regulation Committee, International Actuarial Association Tom Sullivan, Associate Director, Board of Governors of the Federal Reserve System</p>
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8. Cincinnati Insurance Company	United States of America	No	<p>[1] The IAIS is seeking feedback on the draft overall Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) through public consultation. The overall ComFrame includes the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5 (Suitability of Persons); ICP 7 (Corporate Governance); ICP 8 (Risk Management and Internal Controls); ICP 9 (Supervisory Review and Reporting); ICP 10 (Preventive Measures, Corrective Measures and Sanctions); ICP 12 (Exit from the Market and Resolution); ICP 15 (Investments); ICP 16 (Enterprise Risk Management for Solvency Purposes); ICP 23 (Group-wide Supervision); ICP 25 (Supervisory Cooperation and Coordination). [2] As we have stated many times in similar sets of consultation comments, our company does not believe that the world needs a set of Insurance Core Principles (ICPs), either as a standalone regulatory code or one enhanced and amplified for IAIGs under ComFrame. We also object to the program under which the International Monetary Fund (IMF) grades the U.S. insurance regulatory system on its compliance with the ICPs. [3] The core principles upon which the U.S. insurance regulatory system is premised have functioned perfectly for over 150 years and do not need an overhaul by the International Association of Insurance Supervisors (IAIS) or by its ostensible parent organization, the Financial Stability Board (FSB). [4] Therefore, we object to the overall ComFrame, including the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25. There is no need for the IAIS to promulgate an international insurance code on the topics addressed by ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25, or to otherwise claim authority to regulate in these areas. The U.S. and other regulatory regimes are capable of regulating in these areas on their own without interference by the IAIS. Given the substance of this comment, we see no need to answer Q2 through Q19.</p>
9. Prudential Financial, Inc.	United States of America	No	<p>Overarching Comments on the overall ComFrame Consultation</p> <p>Prudential Financial, Inc. (Prudential Financial) thanks the International Association of Insurance Supervisors (IAIS) for the opportunity to comment on the July 31, 2018 public consultation on the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame). We remain committed to the further development of global regulatory standards for the insurance sector, provided they appropriately account for the diversity of insurance markets around the globe and the economics of the life insurance business.</p> <p>Broadly speaking, Prudential Financial believes ComFrame, and the Insurance Core Principles (ICPs) with which it builds upon, generally offer sound principles for supervision and management of insurers; however, we continue to have concerns with the level of prescription within these policy measures. Insurance markets around the world differ significantly - often by design - in their size, level of development, prevailing risks underwritten/consumer needs, regulatory frameworks, etc. Global standards can inform regulators and insurers on how to better protect policyholders and maintain fair, safe, and stable insurance markets but in doing so, they must not infringe on the sovereignty of local markets. Striking an appropriate balance requires standards that place greater emphasis on the substance of the best practice a supervisor or insurer should aim to achieve (as appropriate and relevant for their market) than the form with which it is achieved. This theme is common throughout many of our comments on the ComFrame consultation, which are intended to assist the IAIS with recasting ComFrame at a more appropriate (i.e., less prescriptive) altitude.</p>

			<p>In addition, we continue to believe the linkage between ComFrame and other IAIS policy measures is insufficient. The most obvious example is the absence of an explanation for the role of the ICS relative to the broader ComFrame standards. The role of governance, risk management, and other control function best practices in protecting policyholders and maintaining fair, safe, and stable insurance markets is straight forward; however, the contributions of reporting an ICS - particularly one that has no relation to thoughtfully cultivated jurisdictional solvency frameworks - is not. It is incumbent on the IAIS to accompany its call for ICS reporting with the expected benefits this action will have for stakeholders and the complementary role it plays to other tools. We also observe insufficient linkage and overlap between the ICPs and ComFrame - e.g., ICP standards that apply for a domestic insurance group need not be repeated in ComFrame. Finally, we envision further work will be necessary to align ComFrame and the IAIS' holistic approach to systemic risk when complete to maintain continuity and balance across its policy framework.</p> <p>Prudential Financial again thanks the IAIS for seeking stakeholder input on the development of its policy measures. We look forward to continuing to support the IAIS' efforts to deliver tools that are beneficial to insurance supervisors, the insurance industry, financial markets, and most importantly policyholders and consumers around the world and would welcome the opportunity to discuss the information included in our response should the IAIS wish to do so.</p>
10. American Property Casualty Insurance Association (APCI)	USA	No	<p>AIA appreciates the opportunity to comment on the draft overall ComFrame. The overarching concepts listed in the CD generally are the correct principles to guide the development of ComFrame. However, there are points in the text of ComFrame where it appears that the IAIS is adopting standards that are not consistent with the concepts.</p> <p>Key to the success of ComFrame is the principle of proportionality, which is closely tied to our concerns that ComFrame remains too prescriptive and focused on a one-size fits all approach to IAIG supervision, despite a statement in the Introduction to the contrary.</p>
11. Liberty Mutual Insurance Group	USA	No	<p>The 2018 version of ComFrame does not address the criticism Liberty Mutual and many other commenters have expressed in the past. These areas of serious weakness continue to include the following:</p> <p>1) ComFrame is too prescriptive. It mandates specific requirements that an IAIG's supervisor must impose. Too many of its provisions are expressed in the form of "The Group-wide Supervisor requires that [the IAIG take specific steps]..." and not enough in a form that focuses more on ensuring a particular outcome is achieved, leaving to the IAIG's management how best to do so. ComFrame should focus on supervisory objectives and outcomes, not on dictating the actions an IAIG should take in conducting its business. Statements in ComFrame asserting the document is "outcome focused", such as in Paragraph 21, are belied by the text of the document itself.</p> <p>2) Despite the assertions of the IAIS to the contrary, this version of ComFrame fails to reflect reasonable proportionality or differences among IAIGs and still is subject to legitimate criticism that it has adopted a "one-size fits all" approach. The IAIS realizes</p>

			<p>IAIGs can be complicated, but its solution to addressing that complexity is a simplified system of inflexible regulatory requirements.</p> <p>3) This version of ComFrame disregards time-tested and effective laws and regulatory practices in local jurisdictions, and ignores the practical and political realities that would prevent its prescriptive solutions from ever being adopted in the U.S. and many other jurisdictions. For example, the provisions regarding the GWS's authority over the conduct of boards of directors ignores centuries of U.S. common law distinguishing the respective roles of directors and managers. Similarly, calling for supervisors to have direct authority in many instances over holding companies that are not, themselves insurance companies, will simply never become law in the U.S.</p> <p>The IAIS must think more reasonably and realistically about these and similar issues before it adopts ComFrame. Liberty Mutual urges the IAIS not to adopt ComFrame in its current form until these significant issues are confronted and addressed.</p>
12. Property Casualty Insurers Association of America (PCI)	USA	No	<p>The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to respond to the IAIS' ComFrame consultation draft. PCI promotes and protects the viability of a competitive private insurance market for the benefit of consumers and insurers. PCI is composed of approximately 1,000 member companies and 340 insurance and reinsurance groups, representing the broadest cross section of home, auto, and business insurers of any national trade association. PCI members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe. PCI members write \$245 billion in annual premium, which is 38 percent of the U.S. property casualty insurance marketplace.</p> <p>PCI's primary concern with the Introduction to ComFrame relates to the overarching concepts described in paragraphs 22-25 and which pertain to:</p> <ul style="list-style-type: none"> - Proportionality, and incorporating that concept by reference as described in the Introduction to the ICPs; - Allocation of roles: - Governance structures; and - Group-wide supervision. <p>While we agree with what is stated for each of those overarching concepts, in some cases there is a need for:</p> <ul style="list-style-type: none"> - More text to clarify what is stated for the benefit of supervisors, stakeholders and assessors; - Relocation of some text from the ICPs to this Introduction section to better clarify that the points made in that text are indeed

		<p>overarching concepts that apply to all ICPs/ComFrame text, and not just the single ICP where that language currently resides; and</p> <ul style="list-style-type: none"> - Inclusion of additional overarching concepts. <p>We believe it most pragmatic to address these concerns through the section on overarching concepts in the Introduction; otherwise numerous other detailed changes would be required throughout the ICPs/ComFrame text. Examples of each of the foregoing are discussed below:</p> <p>Additional Text to Clarify:</p> <p>Our concerns in regard to clarifying existing text on the overarching concepts include paragraphs 24 and 25 on governance structures and group-wide supervision, respectively. We don't disagree with either concept as described - assuming we understand them correctly - but each of those concepts is described in only 1-2 very brief sentences, and is vastly outbalanced by the preponderance of text in the body of the ICPs which, taken literally, is in conflict with the stated overarching concept.</p> <p>In the case of governance structures, the overarching concept is that ComFrame is neutral ("does not favor") as to any particular governance model, e.g., whether centralized or decentralized. That said, it seems that the ComFrame text embedded within the ICPs is drafted primarily, if not exclusively, from the perspective of an IAIG with a centralized structure. For all readers to better understand that to be simply a drafting convention rather than a conflict between the overarching concept and the ComFrame text, additional clarification is needed.</p> <p>For example, paragraph 24 on governance structures could be expanded with the following additional text:</p> <p>"IAIGs have different models of governance (i.e. more centralized or more decentralized). ComFrame does not favor any particular governance model and instead focuses on the outcomes that the governance model needs to achieve. That said, for simplicity and consistency, the accompanying ComFrame text has been written primarily from the standpoint of an IAIG with a centralized business model. The text should nonetheless be read to apply as well to IAIGs with decentralized business models such that the standard could be achieved on an outcomes basis regardless of the business model in use by an IAIG. Thus, and for example, ComFrame text in ICP 16 in respect of certain group-wide functions and policies should not be taken to require that there is only one such function or policy across the entire IAIG, or that it necessarily resides at the Head of the IAIG, or under the domain of a single key person in a control function."</p> <p>We consider the suggested additional text to be entirely consistent with the IAIS' responses to stakeholders. For example, in the prior consultation on ComFrame text added to ICP 8, stakeholders commented on CF 8.6.b regarding the group-wide actuarial function:</p>
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		<p>text we consider to not apply to IAIGs because of the specific ComFrame text at paragraph 25.</p> <p>If, as we hope, the intent of the IAIS is to be neutral as to direct vs. indirect powers in ComFrame, we recommend the following changes to paragraph 25:</p> <p>"The ICPs and ComFrame are neutral as to direct or indirect approaches to group-wide supervision. That said, for purposes of simplicity in the construction of the ComFrame text, it has been primarily written from the standpoint of direct supervision. This drafting convention should not be taken to mean that indirect powers are inappropriate for group-wide supervision of IAIGs or would be inherently deficient in achieving outcomes similar to those for direct supervision of IAIGs. It therefore follows that where ComFrame text generally is stated in terms of the "group-wide supervisor requires the Head of the IAIG to do X, Y or Z", that in the case of a group-wide supervisor applying indirect powers, it should be read that "the group-wide supervisor requires the IAIG to do X, Y or Z." "</p> <p>If the intent is otherwise, i.e., that indirect powers are fine for supervision of non-IAIGs but that direct powers are a necessary precondition for supervision of IAIGs, then we have significant concerns. Using the size of a group and the amount of its international business as a trigger to suddenly require a change to the nature of the powers of the supervisor is unrealistic. The powers of the supervisor in a jurisdiction are set by legislative authority and consider a myriad of factors and a history of legislative, political and judicial developments. ComFrame should not presume those powers can be changed, or that one approach is necessarily better than another for a particular jurisdiction.</p> <p>Relocation of Text:</p> <p>A key issue pertains to an item covered in the part of the August 29, 2018 Stakeholder call on "Overarching Issues Related to Drafting of ComFrame," specifically on prescriptiveness, limiting the necessary flexibility, one-size-fits-all approach, and materiality. This is an issue that was raised by some stakeholders in the earlier consultation on ICP 7, to which the IAIS responded at that time as follows:</p> <p>"In most of the cases it is clear that the Head of the group/IAIG takes into account the overall risks and activities of the individual legal entities across the group and focuses on those which are material for the group as a whole, even when materiality is not referred to explicitly. To help clarify this issue and the role of materiality, new text has will be added to Introductory Guidance of ICP 7. Materiality is mentioned explicitly when it is necessary taking into account the context of the standard, in particular when a standard is not supported by guidance that provide further details on which risks, activities, etc. should be considered in a particular case."</p> <p>As was mentioned on the Stakeholder call, language was indeed added to ICP 7, specifically, paragraph 7.0.8, which states as</p>
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			<p>follows:</p> <p>"The head of the group is ultimately responsible for the group's sound and prudent management. In doing so, it should take into account the risks and activities of the individual legal entities within the group, focusing in particular on those which are material for the group as a whole. While the ultimate responsibility for corporate governance at the group-level lies with the head of the group, the legal entities within a group are, and remain, fully responsible for their own sound and prudent management. As a result of this distinction in responsibilities, it is important to have appropriate coordination on corporate governance, based on the group's organizational model, between the group-wide level and the legal entity level."</p> <p>It was noted on the call that proportionality applies to IAIGs, too, given their varying complexities, even if materiality is not referred to specifically in the text.</p> <p>All that said, paragraph 7.0.8 is in the ICP text and therefore is not subject to the current consultation. Nonetheless, and despite that the paragraph clearly is an overarching issue - as described in the stakeholder call - it now resides in the text of a single ICP (ICP 7) rather than in the Introduction to the ICPs and ComFrame where other overarching material is included (e.g., paragraphs 9 and 10 on proportionality and risk-based supervision; and paragraphs 22-25 on allocation of roles, governance structures, and group-wide supervision). Placed only in ICP 7 and phrased in the context of governance, it would not seem to have that overarching intent. Therefore, we recommend moving paragraph 7.0.8 from ICP 7 to the Introduction to ComFrame and including it with the other overarching concepts that begin at paragraph 22. We also recommend that it be explicitly clarified to apply to governance broadly, specifically including the applicable control functions which are covered in other ICPs - compliance, actuarial, audit, and enterprise risk management.</p>
Q2 Comment on paragraph 18			
13. American Council of Life Insurers	Office of General Counsel	No	ACLI welcomes efficient, effective, and coordinated supervision of internationally active insurance groups. We believe such supervision will benefit consumers and policyholders around the world. To accomplish those collective objectives, ComFrame must mature to a more principles-based framework, recognizing that jurisdictions must be allowed flexibility in how they choose to implement desired outcomes.
Q3 Comment on paragraph 19			
14. Insurance Europe	Europe	No	Insurance Europe appreciates the clarification introduced in the last sentence of paragraph 19.

15. American Council of Life Insurers	Office of General Counsel	No	<p>ACLI appreciates and endorses these aspirational goals. We believe that addressing them means accepting that nations have their own needs as well as different legal frameworks.</p> <p>ACLI respectfully observes that this draft retains strong preferences toward direct supervision and toward centralized operations. We urge further amendments to adjust those preferences.</p>
16. Prudential Financial, Inc.	United States of America	No	<p>While the IAIS may have means for compelling implementation of the standards it promulgates it does not have the authority to establish requirements. As such the text in paragraph 19 should be modified to read as follows - "ComFrame provides quantitative and qualitative supervisory standards and guidance tailored to the". This adjustment would align the text to other sections of ComFrame, such as paragraph 21 (within "Structure"). In addition, we believe the final sentence should be modified to stress the importance of substance over form with respect to the practices identified throughout ComFrame - "; however, it does not create a one-size-fits all approach to IAIG supervision as ultimately, it is more important that supervisors and IAIGs achieve the substance of ComFrame standards than the form with which they are expressed within the document."</p>
Q4 Comment on paragraph 20			
17. AIA Group	Hong Kong	No	<p>The ICS is being developed as part of ComFrame and there will be a 5-year monitoring period. We understand that the ICS is not to be used as a group-wide PCR during the monitoring period. In this respect we respectfully submit that in addition to this statement, it be made clear that during the monitoring period, results of the ICS will not lead to any regulatory or supervisory consequences on an IAIG.</p>
18. American Council of Life Insurers	Office of General Counsel	No	<p>ACLI welcomes the IAIS recommendation for an ICS monitoring period. We offer these suggestions to make it effective:</p> <ol style="list-style-type: none"> 1. An oversight committee should be created. The "policy process' should not be dismantled and dispersed. 2. Impact assessments should be performed. Before concluding that the ICS is suitable for jurisdictional implementation, the IAIS should assess the potential impact of the ICS on local insurance markets and on insurance groups. 3. A feedback loop for both supervisor and industry input should be established. We believe that robust supervisor and industry engagement and feedback is a center-piece of an effective monitoring period. A feedback loop should occur during the monitoring period to allow for emerging findings to inform potential refinements to the ICS. 4. The monitoring period should be effectively and centrally administered. The assessment of "other methods" to an ICS should be done in a transparent manner and be subject to consultation with stakeholders. It should include principles for assessing comparability and include GAAP Plus, internal models, national discretions, and the Aggregation Method. The ICS should not be advanced in the absence of a vote at the end of the monitoring period that the final ICS is fit for purpose.

			<p>5. Confidentiality of individual groups' data and results should be ensured.</p> <p>The ICS should not automatically be inserted into supervisory colleges. During the monitoring period, the ICS will continue to be calculated on a basis that is approximate and unaudited, and that lacks formal controls. Companies will not be managing to their ICS ratios because they will not be legally required to do so. Consequently, there is a risk that supervisors could draw misleading and inappropriate conclusions from ICS results during the monitoring period. The IAIS and supervisors should also not create any expectations that the monitoring period results will lead to any real world supervisory outcomes.</p>
19. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the inclusion of the ICS version 2.0 into the ComFrame, and the recognition that it will be used during a 5-year monitoring period for confidential reporting to group-wide supervisors. We welcome the IAIS's confirmation that it will not be used as a Prescribed Capital Requirement (PCR) during the monitoring period.</p> <p>However, we feel that there is a lack of clarity on how and when the quantitative aspect, i.e. the ICS V 2.0 will be integrated into ComFrame, and how it will fit together with ICP 14 (Valuation) and ICP 17 (Capital Adequacy).</p>
20. Prudential Financial, Inc.	United States of America	No	<p>While paragraph 19 speaks to the benefits the IAIS hopes to achieve through ComFrame, paragraph 20 has no such benefits to offer for the ICS. We note that a more general message on the aspirations of the ICS, understanding it remains uncertain if they will ever ultimately be achieved given remaining shortcomings of the framework, would be more appropriate for a paragraph within the ComFrame introduction.</p>
Q5 Comment on paragraph 21			
21. International Actuarial Association	International	No	<p>The first sentence makes reference to the applicability of ICP's to insurers but fails to mention their applicability to insurance groups generally as well as IAIG's specifically.</p>
22. Prudential Financial, Inc.	United States of America	No	<p>Consistent with the introductory paragraph, the first bullet should be modified to read as follows - "..... outcomes-focused, standards and guidance for supervisors." Further, this would also address the inconsistency with the second bullet which expressly states that ComFrame does not represent requirements.</p>
Q6 Comment on paragraph 22			
23. Insurance Europe	Europe	No	<p>Insurance Europe appreciates the reference to the principle of proportionality in paragraph 22.</p> <p>Insurance Europe further suggests including in the list of "overarching concepts" the need for all ICPs/ComFrame provisions to be read in light of confidentiality. Although ICP 3 addresses information sharing and confidentiality, the need for confidentiality also</p>

			<p>exists outside of the sharing of information between supervisors. Furthermore, the references to the need for confidentiality made in some parts of the ICPs/ ComFrame provisions may give the impression that these are the only situations in which confidentiality needs to be maintained.</p> <p>In addition, materiality should be reflected in the overarching concepts (as well as throughout the provisions) as it is a fundamental element of risk-based supervision.</p> <p>It should also be made clear that these "overarching concepts" also apply to the various documents sitting under the ICPs/ ComFrame provisions, such as Application Papers.</p>
24. German Insurance Association	Germany	No	GDV appreciates the reference to the principle of proportionality in paragraph 22. In addition, materiality should be reflected in the overarching concepts (as well as throughout the provisions) as it is a fundamental element of risk-based supervision.
25. General Insurance Association of Japan	Japan	No	We welcome the explicit reference to proportionality. We recognize that proportionality would be applied on every standard and guidance of the ComFrame in line with this provision and the size, complexity and business characteristics will be taken into account.
26. American Council of Life Insurers	Office of General Counsel	No	ACLI strongly urges that IAIS recognize that any successful ComFrame must be principles-based, acknowledging the collective goal of engendering deserved confidence among supervisors.
27. American Property Casualty Insurance Association (APCI)	USA	No	We appreciate that the IAIS acknowledges that the "overarching concepts identified in the ICP introduction are equally applicable to ComFrame, in particular proportionality." We agree that proportionality needs to be embraced throughout ComFrame, and we recommend that an explicit reference be added to paragraph 22 referring and incorporating by reference the subject ICP text on proportionality contained in paragraphs 9 and 10.
28. Property Casualty Insurers Association of America (PCI)	USA	No	<p>We agree that the overarching principle of proportionality identified in the ICP Introduction should be equally applicable to ComFrame. That said, and to remove all doubt, we recommend that an explicit reference be added to paragraph 22 referring and incorporating by reference the subject ICP text on proportionality contained in paragraphs 9 and 10.</p> <p>A key issue about proportionality pertains to an item covered in the part of the August 29, 2018 Stakeholder call on "Overarching Issues Related to Drafting of ComFrame," specifically on prescriptiveness, limiting the necessary flexibility, one-size-fits-all approach,</p>

		<p>and materiality. This is an issue that was raised by some Stakeholders in the earlier consultation on ICP 7, to which the IAIS responded at that time as follows:</p> <p>"In most of the cases it is clear that the Head of the group/IAIG takes into account the overall risks and activities of the individual legal entities across the group and focuses on those which are material for the group as a whole, even when materiality is not referred to explicitly. To help clarify this issue and the role of materiality, new text has will be added to Introductory Guidance of ICP 7. Materiality is mentioned explicitly when it is necessary taking into account the context of the standard, in particular when a standard is not supported by guidance that provide further details on which risks, activities, etc. should be considered in a particular case."</p> <p>As was mentioned on the stakeholder call, language was indeed added to ICP 7, specifically, paragraph 7.0.8, which states as follows:</p> <p>"The head of the group is ultimately responsible for the group's sound and prudent management. In doing so, it should take into account the risks and activities of the individual legal entities within the group, focusing in particular on those which are material for the group as a whole. While the ultimate responsibility for corporate governance at the group-level lies with the head of the group, the legal entities within a group are, and remain, fully responsible for their own sound and prudent management. As a result of this distinction in responsibilities, it is important to have appropriate coordination on corporate governance, based on the group's organizational model, between the group-wide level and the legal entity level."</p> <p>It was noted on the call that proportionality applies to IAIGs, too, given their varying complexities, even if materiality is not referred to specifically in the text.</p> <p>All that said, paragraph 7.0.8 is in the ICP text and therefore is not subject to the current consultation. Nonetheless, and despite that the paragraph clearly is an overarching issue - as described in the stakeholder call - it now resides in the text of a single ICP (ICP 7) rather than in the Introduction to the ICPs and ComFrame where other overarching material is included (e.g., paragraphs 9 and 10 on proportionality and risk-based supervision; and paragraphs 22-25 on allocation of roles, governance structures, and group-wide supervision). Placed only in ICP 7 and phrased in the context of governance, it would not seem to have that overarching intent. Therefore, we recommend moving paragraph 7.0.8 from ICP 7 to the Introduction to ComFrame and including it with the other overarching concepts that begin at paragraph 22. We also recommend that it be explicitly clarified to apply to governance broadly, specifically including the applicable control functions which are covered in other ICPs - compliance, actuarial, audit, and enterprise risk management.</p>
<p>Q7 Comment on paragraph 23</p>		

29. International Actuarial Association	International	No	The second sentence appears to not include the situation in which host supervisors of an IAIG can supervise both insurer legal entities and insurance groups of the IAIG within their supervisory powers (i.e. can have insurance groups within an IAIG).
30. American Council of Life Insurers	Office of General Counsel	No	ACLI urges acknowledgement that the group-wide supervisor must coordinate any proposed action with the host supervisor(s) with appropriate legal authority.
Q8 Comment on paragraph 24			
31. American Council of Life Insurers	Office of General Counsel	No	This draft retains texts that prefers centralized structures, which ACLI urges be adjusted to implement this statement.
32. Prudential Financial, Inc.	United States of America	No	We note that while the "overarching concepts" section, and this paragraph in particular notes ComFrame has an outcomes-based focus the standards and guidance within the framework are often overly specific of prescriptive and fail to align with this foundational principle.
33. American Property Casualty Insurance Association (APCI)	USA	No	Though the ComFrame draft states that it "does not favour any particular governance model and instead focuses on the outcomes that the governance model needs to achieve", there appears to be a bias or assumption in favor of a centralized structure of corporate governance throughout ComFrame and related ICP material.
34. Property Casualty Insurers Association of America (PCI)	USA	No	<p>There is a need to clarify existing text on the overarching concept in paragraph 24 on governance structures. We don't disagree with the concept as described - assuming we understand it correctly - but it is described in only 2 very brief sentences, and is vastly outbalanced by the preponderance of text in the body of the ICPs which, taken literally, is in conflict with the stated overarching concept.</p> <p>In the case of governance structures, the overarching concept is that ComFrame is neutral ("does not favor") as to any particular governance model, e.g., whether centralized or decentralized. That said, it seems that the ComFrame text embedded within the ICPs is drafted primarily, if not exclusively, from the perspective of an IAIG with a centralized structure. For all readers to better understand that to be simply a drafting convention rather than a conflict between the overarching concept and the ComFrame text, additional clarification is needed.</p>

			<p>For example, paragraph 24 on governance structures could be expanded with the following additional text:</p> <p>"IAIGs have different models of governance (i.e. more centralized or more decentralized). ComFrame does not favor any particular governance model and instead focuses on the outcomes that the governance model needs to achieve. That said, for simplicity and consistency, the accompanying ComFrame text has been written primarily from the standpoint of an IAIG with a centralized business model. The text should nonetheless be read to apply as well to IAIGs with decentralized business models such that the standard could be achieved on an outcomes basis regardless of the business model in use by an IAIG. Thus, and for example, ComFrame text in ICP 16 in respect of certain group-wide functions and policies should not be taken to require that there is only one such function or policy across the entire IAIG, or that it necessarily resides at the Head of the IAIG, or under the domain of a single key person in a control function."</p> <p>We consider the suggested additional text, above, to be entirely consistent with the IAIS' responses to stakeholders. For example, in the prior consultation on ComFrame text added to ICP 8, stakeholders commented on CF 8.6.b regarding the group-wide actuarial function:</p> <p>"In some jurisdictions it is common that an insurer's actuarial function is fulfilled collectively by several divisions. The standard should be revised to allow for such practices. Performance of an actuarial function could vary across jurisdictions. In some cases, the function is fulfilled by a division which is under the management of a Board member. Therefore, the standard should be revised to allow for such practices under ComFrame and the term "independent" in the second bullet point should be deleted."</p> <p>The IAIS responded as follows: "The organization of the insurer can be structured in various ways as long as the requirement of the independence is satisfied."</p> <p>We concur with that response, which reflects the outcomes-oriented intent of the ComFrame standards. That said, the changes that were then made to CF 8.6.b do not address the stakeholder's comments, nor do they incorporate the IAIS' response. This appears to be a somewhat pervasive phenomenon that reflects decisions as to drafting styles and conventions for ComFrame, but in the absence of sufficient explanation nonetheless give readers a quite different impression. That is why we believe additional explanatory and clarifying text is necessary, and which can be most simply and pragmatically addressed through the suggestions in marked text above, to be added to the section on overarching concepts in the ComFrame Introduction.</p>
35. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	<p>We appreciate this paragraph recognizing that ComFrame does not favor any particular governance model and instead focuses on the outcomes and that it reiterates what is in ICP Guidance 8.0.7. However, as this seems to be an overarching concept, we suggest considering whether this should be in the ICP Introduction as it applies to all groups - not just IAIGs.</p> <p>Additionally, it seems revisions have tried to clarify at which level of the IAIG ComFrame standards and guidance are addressed (i.e.,</p>

			<p>the Head of the IAIG, the group as a whole, the individual legal entities, etc.). While this has been helpful on one hand, some material reads as if the expectation is that the Head of the IAIG is expected to perform all group-level functions and activities versus having responsibility to ensure that it is done somewhere within the IAIG and that there is an overall group-wide overview. As a result, some material reads as if a centralized approach is required. This should be solved by adding additional text to this paragraph to better articulate the IAIS's intentions and expectations for allowing IAIGs flexibility in their governance models in order to meet the outcomes described in the ComFrame material as well as reviewing relevant ComFrame material with this in mind.</p> <p>Finally, we appreciate that ICP Guidance 7.0.8 was added to explain materiality as it is an important concept in a group context; however, given the structure of the ICPs and ComFrame, it is not clear if this paragraph and the explanation that it provides flows beyond ICP 7 as well as up to cover ComFrame material. As this point may get lost where it currently sits as 7.0.8, suggest considering whether to move it up to either the ICP or ComFrame Introduction as it provides helpful context, especially related to governance issues.</p>
Q9 Comment on paragraph 25			
36. Insurance Europe	Europe	No	The IAIS recognises that there are "indirect" and "direct" approaches to group-wide supervision across jurisdictions, and in some cases a combination of both approaches. While the IAIS states that ICPs are neutral to either approach, paragraph 25 of ComFrame Introduction indicates that "ComFrame uses a direct approach for certain powers as indicated by relevant ComFrame standards". It is unclear throughout the ComFrame text which powers will render the use of a direct approach.
37. German Insurance Association	Germany	No	The IAIS recognises that there are "indirect" and "direct" approaches to group-wide supervision across jurisdictions and in some cases a combination of both approaches. While the IAIS states that ICPs are neutral to either approach, paragraph 25 of ComFrame Introduction indicates that "ComFrame uses a direct approach for certain powers as indicated by relevant ComFrame standards". It is unclear throughout the ComFrame text which powers will render the use of a direct approach.
38. American Council of Life Insurers	Office of General Counsel	No	ACLI believes that the group-wide supervisor must coordinate any proposed action with the host supervisor with appropriate legal authority.
39. Association of British Insurers	United Kingdom	No	The ABI notes IAIS recognition that there are "indirect" and "direct" approaches to group-wide supervision across jurisdictions, and in some cases a combination of both approaches. While the IAIS states that ICPs are neutral to either approach, point 25 of ComFrame states that "ComFrame uses a direct approach for certain powers as indicated by relevant ComFrame standards". It is not clear throughout the ComFrame text which "certain" powers will require the use of a direct approach.
40. Property Casualty	USA	No	Paragraph 25 on group-wide supervision should be clarified and expanded. It currently reads as follows: "Whereas the ICPs are neutral as to direct or indirect approaches to group-wide supervision, ComFrame uses a direct approach for

<p>Insurers Association of America (PCI)</p>		<p>certain powers as indicated by the relevant ComFrame Standards."</p> <p>While we note that the term "uses" has replaced "requires" from a prior version, the implication remains, that ComFrame is not neutral on the matter of direct v. indirect supervision (as in the case of the ICPs). Indeed, CF 10.0.a provides that "where appropriate, the group-wide supervisor applies supervisory measures directly to the Head of the IAIG...." The only situation where the guidance related to that standard acknowledges that the group-wide supervisor uses indirect powers is when the Head of the IAIG is located outside the jurisdiction of the group-wide supervisor.</p> <p>Our concerns therefore are (1) the standard is thus not "outcomes-focused" as per paragraph 21 in the ComFrame Introduction and (2) does not recognize the state-based system in the United States.</p> <p>This is consistent with PCI's comments in the prior consultation about the Introduction and Assessment Methodology including ComFrame material embedded therein: "If the Head of the IAIG is not a registered insurance company, under U.S. state law, a direct approach for certain powers may not be available to the group wide supervisor. Similarly, it may be difficult for the insurance supervisor to apply supervisory measures directly on an unregulated entity."</p> <p>The IAIS response was: "Para 16 makes it clear that both direct and indirect approaches are fine as long as the outcome is similar."</p> <p>While PCI's comment was clearly in regard to ComFrame (reference to IAIG in text), the IAIS response referenced ICP text, which text we consider to not apply to IAIGs because of the specific, and different, ComFrame text at paragraph 25.</p> <p>If, as we hope, the intent of the IAIS is to be neutral as to direct v. indirect powers in ComFrame, we recommend the following changes to paragraph 25:</p> <p>"The ICPs and ComFrame are neutral as to direct or indirect approaches to group-wide supervision. That said, for purposes of simplicity in the construction of the ComFrame text, it has been primarily written from the standpoint of direct supervision. This drafting convention should not be taken to mean that indirect powers are inappropriate for group-wide supervision of IAIGs or would be inherently deficient in achieving outcomes similar to those for direct supervision of IAIGs. It therefore follows that where ComFrame text generally is stated in terms of the "group-wide supervisor requires the Head of the IAIG to do X, Y or Z", that in the case of a group-wide supervisor applying indirect powers, it should be read that "the group-wide supervisor requires the IAIG to do X, Y or Z." "</p> <p>If the intent is otherwise, i.e., that indirect powers are fine for supervision of non-IAIGs but that direct powers are a necessary</p>
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			precondition for supervision of IAIGs, then we have significant concerns. Using the size of a group and the amount of its international business as a trigger to suddenly require a change to the nature of the powers of the supervisor is unrealistic. The powers of the supervisor in a jurisdiction are set by legislative authority and which consider a myriad of factors and a history of legislative, political and judicial developments. ComFrame should not presume those powers can be changed, or that one approach is necessarily better than another for a particular jurisdiction.
41. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	It seems revisions have tried to clarify at which level of the IAIG standards and guidance are addressed (i.e., the Head of the IAIG, the group as a whole, the individual legal entities, etc.). While this has been helpful on one hand, some material reads as if the expectation is that the group-wide supervisor needs to have a direct approach. The IAIS already identified a specific list of things that the group-wide supervisor should have the authority to do directly. However, in trying to be clearer on the level, a number of ComFrame standards now read as requiring a direct approach. This should be solved by adding additional text to this paragraph to better clarify the IAIS's intentions and expectations on group-wide supervision approaches in the context of ComFrame as well as reviewing the standards themselves to ensure they do not require a direct approach where this is not intended.
Q10 General comment on Glossary terms			
42. International Actuarial Association	International	No	The IAA notes that within ICP 16, especially its ComFrame elements, terms such as "financial position", "solvency position", "prospective solvency position", "current financial condition", "future financial condition" and "prospective analysis of the financial situation" are used without supporting glossary entries to clarify and distinguish their meanings. The IAA strongly recommends that such definitions be developed and the terms in this ICP (and perhaps other ICP's) be appropriately streamlined.
Q11 Comment on definition of IAIG Board			
43. Prudential Financial, Inc.	United States of America	No	We suggest this definition be modified to read as follows - "The Board of the Internationally Active Insurance Group." More broadly, we request further clarity and definition on what "the Head of the IAIG" and how this may vary from "the IAIG Board", "Senior Management" and/or "Management". Historically, we have been advised to interpret "the Head of the IAIG" and "the Board" as both referring to the Board. However, CF 7.0 a, b, and c refer to "the Head of the IAIG" while CF 7.1a and CF 7.2a refer to "the IAIG Board", which indicates the IAIS may be speaking to different groups. If the intention is for "the Head of the IAIG" to refer to "the Management of the IAIG" (e.g., Senior Management, management in charge of running the company operations day to day, etc.), then we suggest you those more specific terms be used instead.
44. American Property Casualty Insurance	USA	No	We note that paragraph 16.12.4 includes some text which can be read as an alternative (and perhaps conflicting) definition of the term as it is defined in the glossary. We recommend that language be deleted from 16.12.4 and added to the definition that in the glossary.

Association (APCI)			
45. Property Casualty Insurers Association of America (PCI)	USA	No	We note that paragraph 16.12.4 includes some text which can be read as an alternative (and perhaps conflicting) definition of the term as it is defined in the glossary. We recommend that language be deleted from 16.12.4 and added to the definition in the glossary.
Q12 Comment on definition of contingency plan			
46. Insurance Europe	Europe	No	In this context, a reference to CF 23.1.a and other relevant guidance on the definition of "Head of the IAIG" would be useful.
47. American Property Casualty Insurance Association (APCI)	USA	No	The definition of IAIG Board seems appropriate. However, we recommend that the IAIS define the term "Head of the Internationally Active Insurance Group" in the Glossary because of its importance to the definition of the IAIG Board and use elsewhere in the CD.
48. Property Casualty Insurers Association of America (PCI)	USA	No	We agree with the definition of "IAIG Board". However, the definition includes the term "Head of the Internationally Active Insurance Group," a term that itself is not defined, nor does it seem to be used elsewhere in the document. But "Head of IAIG" is used extensively in the document. We suggest adding "Head of IAIG" to the IAIS Glossary as well, perhaps referring to ICP 23 by way of reference.
Q13 Comment on definition of liquidation			
49. Dirección General de Seguros y Fondos de Pensiones	Spain	No	The reference that a branch can also be put in liquidation should be understood in the sense of ceasing, stopping the activity, no in the sense of the liquidation of the branch as such. In accordance with the previous some adaptation in the wording is considered appropriate.
Q14 Comment on definition of portfolio transfer			

50. Insurance Europe	Europe	No	Whilst Insurance Europe does not necessarily disagree with the proposed definition of portfolio transfer, it should be made clear that the transfer of a single policy does not trigger the same supervisory processes as transfers of all or parts of an insurer's portfolios of contracts. In some provisions under ICP 6 for example, it appears that IAIS considers the transfer of a single policy should suffice to trigger a full supervisory approval process. This would not be efficient or proportionate.
51. German Insurance Association	Germany	No	It should be made clear that the transfer of a single policy does not trigger the same supervisory processes as transfers of all or parts of an insurer's portfolios of contracts. In some provisions under ICP 6 for example, it appears that IAIS considers the transfer of a single policy should suffice to trigger a full supervisory approval process. This would not be efficient or proportionate.
Q15 Comment on definition of recovery plan			
Q16 Comment on definition of resolution			
Q17 Comment on definition of resolution authority			
Q18 Comment on definition of resolution plan			
Q19 Comment on definition of run-off			

ComFrame in ICPs 5, 7 and 8

Organisation	Jurisdiction	Confidential	Answer
Q1 General Comment on ComFrame in ICP 5			
1. Insurance Europe	Europe	No	<p>Insurance Europe generally supports the ComFrame material related to ICP5 and the acknowledgement of the principle of proportionality, with the recommendation to consider the Board collectively in the requirements for knowledge/experience (CF5.2.a.1).</p> <p>Reference is made to the comments provided in response to the IAIS' consultation in June 2017 (https://www.iaisweb.org/page/consultations/closed-consultations/2017/revision-of-icps-and-comframe/file/72362/members-and-stakeholders-comments-on-comframe-integrated-in-icps-5-7-8).</p> <p>General comments on ICP 5</p> <ul style="list-style-type: none"> - Insurance Europe notes that demonstrations of suitability (ICP 5.3) should be done initially (as it is already the case in many jurisdictions). The demonstration of suitability on an ongoing basis should only be explicitly requested by the supervisor in cases where there is a reason to question the suitability of the Board Member, Senior Management, Key Person in Control Functions or Significant Owner in place. - Insurance Europe would suggest that the last bullet point on "other indicators" in ICP 5.3.7 is highly subjective (compared to the other examples included in the list) and therefore may be of only limited use for supervisors in their implementation of ICP 5. - Save as a resolution measure in exceptional circumstances, Insurance Europe would like to stress that supervisors should not be able to actively choose and appoint Board Members or other decision-making or management functions. The fourth bullet point in ICP 5.5.1 seems to indicate that this was the case. The selection of candidates and their appointment - subject to their suitability - should remain in the responsibility of the insurer/IAIG and supervisors should not be able to actively interfere with this decision. - Insurance Europe would also suggest that imposing additional reporting requirements and increasing solvency monitoring activities (fifth bullet point in ICP 5.5.1) is not the most obvious/suitable supervisory measure to take in case of governance / suitability shortcomings. The former (imposing additional reporting requirements) will not improve compliance with suitability

			<p>requirements and should therefore be deleted. The latter (increasing solvency monitoring activities) is further just the realisation of the overarching concept of risk-based supervision and would not have to be listed here as a separate measure.</p> <p>- Insurance Europe considers that after Significant Owners have been approved by the supervisor, supervisory measures should not overly interfere with their activities. ICP 5.5.2 should therefore be deleted. In particular, Insurance Europe has strong concerns over the possibility for the supervisor to decide on the "suspension of the exercise of their corresponding voting rights or the nullification or annulment of any votes cast by the Significant Owners".</p>
2. Global Federation of Insurance Associations	Global	No	<p>GFIA appreciates the opportunity to comment. GFIA encourages the IAIS to avoid creating even greater complexity by introducing additional suitability requirements beyond those already in place.</p> <p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP GFIA would point out that there are frequent references to actions that group-wide supervisors are expected to take, such as verification of appropriateness of functions. There is however no guidance on how these actions should take place and more importantly a lack of objective criteria to determine the appropriateness of the action. An example is ICP 5.5,</p> <p>In particular, as noted in our response to the consultation on ICP 5 in 2017, ICP 5.4 and ICP 5.6 purport to give supervisors far-reaching powers, and it is uncertain how these powers would be applied in practice, in particular if there is a conflict between the group-wide and legal entity supervisors.</p> <p>Save as a resolution measure in exceptional circumstances, GFIA would like to stress that supervisors should not be able to actively choose and appoint Board Members or other decision-making or management functions. The fourth bullet point in ICP 5.5.1 seems to indicate that this was the case. The selection of candidates and their appointment - subject to their suitability - should remain in the responsibility of the insurer/IAIG and supervisors should not be able to actively interfere with this decision.</p> <p>Imposing additional reporting requirements and increasing solvency monitoring activities (fifth bullet point in ICP 5.5.1) is not the most obvious/suitable supervisory measure to take in case of governance / suitability shortcomings. The former (additional reporting requirements) does not address any shortcomings and should be deleted. The latter (increasing solvency monitoring activities) is further just the realisation of the overarching concept of risk-based supervision and would not have to be listed here as a separate measure.</p>

3. Institute of International Finance	Global	No	While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP we would point out that there are frequent references to actions that group-wide supervisors are expected to take, such as verification of appropriateness of functions. There is however no guidance on how these actions should take place and more importantly a lack of objective criteria to determine the appropriateness of the action.
4. American Council of Life Insurers	Office of General Counsel	No	<p>*Lack of Objective Criteria or Standards to Guide Supervisory Action*:</p> <p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP we would point out that there are frequent references to actions that group-wide supervisors are expected to take, such as verification of appropriateness of functions. There is however no guidance on how these actions should take place and more importantly a lack of objective criteria to determine the appropriateness of the action. An example is ICP 5.5, which merely states: "The supervisor takes appropriate action to rectify the situation when Board Members, Senior Management and Key Persons in Control Functions or Significant Owners no longer meet suitability requirements."</p>
6. Association of British Insurers	United Kingdom	No	<p>In principle, ComFrame in ICP 5 appears to broadly align with Solvency II and its solvency ratio and capital requirements; however, we would emphasise that any new initiative should not conflict with or add additional complexity to existing regulatory regimes.</p> <p>Having recently experienced a number of significant changes to regulatory requirements in relation to suitability of senior managers and key function holders, the ABI encourages the IAIS to avoid creating even greater complexity by introducing suitability requirements in ComFrame that are uncertain in their practical application to an IAIG.</p> <p>In particular, as noted in the ABI's response to the consultation on ICP 5 in 2017, ICP 5.4 and ICP 5.6 purport to give supervisors very far-reaching powers, and it is uncertain how these powers would be applied in practice, in particular if there is a conflict between the group-wide and legal entity supervisors. It is unclear how far the powers extend, i.e. whether they apply at the level of the individual legal entity and/or the group, and how the powers in ICP 5.6 interact with the provisions of ICPs 3 and 25. This could be addressed by introducing ComFrame guidance in relation to ICPs 5.4 and 5.6.</p>
8. Cincinnati Insurance Company	United States of America	No	[1] The IAIS is seeking feedback on the draft overall Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) through public consultation. The overall ComFrame includes the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5 (Suitability of Persons); ICP 7 (Corporate Governance); ICP 8 (Risk Management and Internal Controls); ICP 9 (Supervisory Review and Reporting); ICP 10 (Preventive Measures, Corrective Measures and Sanctions); ICP 12 (Exit from the Market and Resolution); ICP 15 (Investments); ICP 16 (Enterprise Risk Management for Solvency Purposes); ICP 23 (Group-wide Supervision); ICP 25 (Supervisory Cooperation

			and Coordination). [2] As we have stated many times in similar sets of consultation comments, our company does not believe that the world needs a set of Insurance Core Principles (ICPs), either as a standalone regulatory code or one enhanced and amplified for IAIGs under ComFrame. We also object to the program under which the International Monetary Fund (IMF) grades the U.S. insurance regulatory system on its compliance with the ICPs. [3] The core principles upon which the U.S. insurance regulatory system is premised have functioned perfectly for over 150 years and do not need an overhaul by the International Association of Insurance Supervisors (IAIS) or by its ostensible parent organization, the Financial Stability Board (FSB). [4] Therefore, we object to the overall ComFrame, including the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25. There is no need for the IAIS to promulgate an international insurance code on the topics addressed by ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25, or to otherwise claim authority to regulate in these areas. The U.S. and other regulatory regimes are capable of regulating in these areas on their own without interference by the IAIS.
9. Liberty Mutual Insurance Group	USA	No	ICP 5 contains provisions which are incompatible with U.S. statutory and common law regarding the role of the Board of Directors and which ignore the lack of authority of U.S. regulators to directly control the composition of an insurer's board of directors. For example, this provision requires the GWS to engage in such matters as determining the "competence" of the Board of an IAIG. These sections are misguided in calling for supervisors to have this authority. Liberty Mutual has expressed similar comments to proposals by the IAIS related to corporate governance in other settings, pointing out to the IAIS that it is not appropriate or effective to have regulators intervene in the management of an IAIG under the guise of "corporate governance." There is no attempt by the IAIS to explain why giving supervisors this sort of intrusive authority enhances policyholder protection or any other valid supervisory objective.
10. MetLife, Inc	USA	No	Lack of Objective Criteria or Standards to Guide Supervisory Action While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP we would point out that there are frequent references to actions that group-wide supervisors are expected to take, such as verification of appropriateness of functions. There is however no guidance on how these actions should take place and more importantly a lack of objective criteria to determine the appropriateness of the action. An example is ICP 5.5, The supervisor takes appropriate action to rectify the situation when Board Members, Senior Management and Key Persons in Control Functions or Significant Owners no longer meet suitability requirements.
Q2 Comment on ComFrame Standard CF5.2.a			
11. Insurance Europe	Europe	No	Insurance Europe is supportive of the amendments made to this Standard.

12. Global Federation of Insurance Associations	Global	No	<p>GFIA welcomes the clarification that this Standard is focusing on the IAIG Board Members, as opposed to the "Head of the IAIG". This helps to clarify who is ultimately responsible for fulfilling this requirement.</p> <p>The GFIA also welcomes the explicit recognition of the need for proportionality in this Standard. GFIA suggests that the Standard could go further and include ownership structure, and stage of development, per the Financial Stability Board's recommendations following its peer review on corporate governance.</p>
13. General Insurance Association of Japan	Japan	No	<p>We welcome the revisions made, deleting the explicit requirement of experience on international business of each member of the board.</p> <p>The revised CF5.2.a.1, however, still appears to require, if implicitly, Board members to each have not only knowledge but also "experience" on international business and processes, as a prerequisite to competence to fulfil their role.</p> <p>Given the criteria used in identifying IAIGs (i.e. the percentage of gross premiums written outside the home jurisdiction is at least 10% of the group's total gross written premium), it is excessive, if not prohibitive, to disqualify an individual Board member simply for failing to have had the experience on international business and processes personally. A board can very well fulfill its role where its members are sufficiently experienced "collectively" and otherwise competent "individually." A confirmation on our view would be deeply appreciated.</p>
15. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the clarification that this Standard is focussing on the IAIG Board Members, as opposed to the "Head of the IAIG". This helps to clarify who is ultimately responsible for fulfilling this requirement.</p> <p>The ABI also welcomes the explicit recognition of the need for proportionality in this Standard.</p>
16. American Academy of Actuaries	United States of America	No	<p>We believe the IAIS should consider including additional guidance regarding the competency of those persons in actuarial roles, whether they are credentialed actuaries or other professionals. While we understand that the example provided is intended to apply to a broad range of senior executives and directors, we believe that individuals in Key Control Functions, including actuarial functions, may require additional competencies. In particular, we suggest that individuals in actuarial Key Control Functions be credentialed professionals subject to a code of conduct and professional standards. While more detail would improve the guidance provided by the ComFrame, we reiterate our previous comment that any guidance be principle-based to allow reasonable flexibility in implementation.</p>
17. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
18. Prudential Financial, Inc.	United States of America	No	We believe evaluating and ensuring the competency of IAIG board members is a board function rather than a supervisory function, and accordingly disagree with the proposed changes.

19. Liberty Mutual Insurance Group	USA	No	This section wrongly allows a supervisor to potentially require an IAIS to replace specific members of its board or order an IAIG to change its management. This is far beyond the scope of a supervisor's power in the U.S., absent clear misconduct by the involved individual or financial impairment of an IAIG.
Q3 Comment on ComFrame Guidance CF5.2.a.1			
20. Insurance Europe	Europe	No	<p>Insurance Europe welcomes the acknowledgement of the principle of proportionality in CF5.2a and appreciates the amendments made regarding the required competences and examples listed (deletion of "to manage the IAIG"). In particular, in two-tier systems, the competencies required for the management board are to be distinguished from those for the supervisory board.</p> <p>However, Insurance Europe would like to note that as currently phrased, this Guidance requires from Board members on an individual basis "knowledge of and experience with international business and processes, as well as different business models". This is only an acceptable requirement for the Board collectively. To this end, we suggest replacing "knowledge of and experience with" with "knowledge of or experience with", or alternatively, "knowledge of and experience with international business and processes where appropriate, as well as different business models".</p>
21. German Insurance Association	Germany	No	GDV appreciates the amendments made regarding the required competences and examples listed (deletion of "to manage the IAIG"). In particular, in two-tier systems, the competencies required of the management board are to be distinguished from those of the supervisory board.
22. Global Federation of Insurance Associations	Global	No	<p>GFIA welcomes the amendments to this Guidance to provide examples of what competence is to be expected by supervisors.</p> <p>However, does not take the view that this Guidance should require that Board members on an individual basis possess "knowledge of and experience with international business and processes, as well as different business models". This is an acceptable requirement for the IAIG Board, collectively. To this end, GFIA suggests replacing "knowledge of and experience with" with "knowledge of or experience with", or alternatively, "knowledge of and experience with international business and processes where appropriate, as well as different business models".</p>
23. International Actuarial Association	International	No	Correct spelling of "competencies".

25. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the amendments to this Guidance to provide examples of what competence is to be expected by supervisors.</p> <p>However, the ABI does not believe this Guidance should require that Board members on an individual basis possess "knowledge of and experience with international business and processes, as well as different business models". This is an acceptable requirement for the IAIG Board, collectively. To this end, we suggest replacing "knowledge of and experience with" with "knowledge of or experience with", or alternatively, "knowledge of and experience with international business and processes where appropriate, as well as different business models".</p>
26. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q4 General Comment on ComFrame in ICP 7			
27. Assuris	Canada	No	<p>Assuris is designated in legislation as the Policyholder Protection Scheme (PPS) for life insurance by both the Federal and Quebec governments. Assuris is also designated, under either legislation or regulation, as the policyholder protection scheme for life insurance in every other province and territories in Canada. Assuris was an active participant in four life insurer insolvencies. Assuris has provided funding to the failed insurer to ensure policyholder benefits are protected during the insolvency. In addition, Assuris has used its bridge institution to facilitate the transfer of assets and liabilities from the insolvent insurer.</p> <p>We support the Head of the IAIG documenting the legal and management structures and inter-relationships within the IAIG.</p>
28. Insurance Europe	Europe	No	<p>Insurance Europe generally supports the ComFrame material related to ICP7 and the proposed revisions, with the recommendation to include the principle of proportionality in several provisions:</p> <ul style="list-style-type: none"> - The principle of proportionality should be introduced in the competence requirements for the Board (CF7.3.a & CF7.3.a.1). - Proportionality is also required for conflict of interest policies. Further, ComFrame should focus on setting measures to address conflicts of interests rather than avoiding them in all instances (CF7.3.b to CF7.3.b.2). - The requirement for annual explanation of strategy should be replaced (eg by periodically), so that supervisors can require it on a more proportionate basis (CF7.2.b). <p>The consultation document seems to repeat the text of ICP 5 instead of ICP 7 in the beginning of the chapter. Insurance Europe assumes that the text of ICP 7 is not intended to change from:</p> <p>"The supervisor requires insurers to establish and implement a corporate governance framework which provides for sound and prudent management and oversight of the insurer's business and adequately recognises and protects the interests of policyholders."</p>

			<p>Reference is made to the comments provided in response to the IAIS' consultation of ICP 7 in June 2017 (https://www.iaisweb.org/page/consultations/closed-consultations/2017/revision-of-icps-and-comframe/file/72362/members-and-stakeholders-comments-on-comframe-integrated-in-icps-5-7-8), as well as in response to the draft application paper on the composition and the role of the Board in August 2018.</p> <p>General comments on ICP 7:</p> <ul style="list-style-type: none"> - While Insurance Europe would not object to the areas listed in ICP 7.3.1 of which the Board should have (or have access to) knowledge and understanding of, these requirements fit better under ICP 5 and in fact, represent a repetition to that extent. - It goes beyond the remit of insurance supervisors to require some Board members to be non-executive, let alone the Chair. The good practice and other references to executive and non-executive members mentioned in ICPs 7.3.5 and 7.6.3 should therefore be deleted. - It is not clear what the IAIS would expect as "clear and objective independence criteria" insurers are meant to establish for "an adequate number of members of the Board (ie non-executive Board members)" in ICP 7.3.8 and whether this would not be more appropriate in the context of ICP 5, rather than ICP 7. - Insurance Europe would suggest that the duties laid out in ICP 7.6 and related Guidance on remuneration policies is overly detailed and prescriptive. <ul style="list-style-type: none"> o As a principle-based framework, it would suffice that the ICPs/ComFrame require that written policies be established with the aim of implementing remuneration systems that do not induce excessive or inappropriate risk taking or any other misconduct. o In particular, the means listed in ICP 7.6.7 by which conflicts of interest (supposedly, using this more general term interchangeably with "conflicts of interest emanating specifically from remuneration structures") should be mitigated is inappropriate and the supervisory measures proposed would be overly intrusive without evidence that the integrity and objectivity of staff have in fact been compromised. o Any further detail and examples would - if necessary at all - suffice in an issues paper to assist supervisors in practice. - Furthermore, there are overlaps with ICP 8 (eg in ICP 7.6.2). - Insurance Europe notes that the following sentence: "The supervisor should require a further audit by a different external auditor where necessary" seems to allow the supervisor for asking a further audit by a second external auditor on any issue. In most jurisdictions the supervisor itself is entitled to conduct audits on any subject, but when an external auditor intervenes, its scope is usually limited to specific areas (eg external accounting audit achieved by Statutory Auditors). Insurance Europe encourages IAIS to specify which type of audit is targeted here. <p>- Where ICP 7.9 covers communication to stakeholders / disclosure (as opposed to communications to the supervisor), there seems to be an overlap with ICP 20. Insurance Europe would ask that the IAIS aligns the disclosure regime within the framework.</p>
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			On the group / IAIG-specific aspects of ICP 7, several provisions should explicitly refer to the principle of proportionality and / or materiality thresholds.
29. Global Federation of Insurance Associations	Global	No	<p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and GFIA would express the following concerns with ICP 7:</p> <p>Lack of Objective Criteria or Standards to Guide Supervisory Action There are frequent references to actions that group-wide supervisors are expected to take, such as verification of appropriateness of functions. There is however no guidance on how these actions should take place and more importantly a lack of objective criteria to determine the appropriateness of the action. Examples are ICP 7.8.7 and 7.8.8..</p> <p>Lack of Reference to Globally Recognized Control Structures for Guidance as to Application of Principles of Proportionality and Absence of Concept of Materiality While implicit in the concept of proportionality which is set out in Paragraph 9 of the ICP Introduction, the concept of materiality and reference to globally recognized control structures and industry standards are largely absent from the ICPs and related ComFrame sections. Without these important reference points, the nature, timing and extent of required review procedures could be significantly misunderstood and/or misinterpreted, putting an exceptional burden on firms and their supervisors.</p> <p>While it may be clear that a supervisor applies the concept of proportionality when considering what requirements should apply to an insurer based on its size and the nature and complexity of its business, it is less clear once the decision is made what proportionality governs and what are the depth/granularity of understanding, reporting or other requirements recommended in guidance. As such, GFIA would propose that materiality be made an explicit element of the concept of proportionality and that the IAIS consider either adding an additional "Overarching Concept" paragraph or expanding the concept of proportionality to incorporate globally recognized control structures or industry standards that could be appropriate guides to how to right-size governance, risk management and internal control measures. See, for example, our comments on in response to Qs 11,13, 15 and 16 below.</p> <p>Board Qualification and Role Rotation of chairs of Committees would require the need for more experts in that area. Board members should be more strategic and focus on leading the company in the right direction. Senior management is responsible for the day to day business and sound functioning of the enterprise (see ICP 7.3.6). The failure to distinguish between group and legal entity boards and the roles they play continues in ICP 7 where it is inferred that the board has responsibility for every legal entity. Legal entities have their own boards with local requirements and fiduciary duties. This distinction must be recognized.</p>

		<p>External Auditor Reporting to Regulators</p> <p>In some jurisdictions, there may be no generally applicable legal or regulatory requirement for external auditors to report directly to regulators. Therefore, GFIA suggest that the exchange of information between external auditor and supervisors referenced in several areas throughout the ICPs and related ComFrame provisions (see for example ICPs 7.8.5 and 9.4.9) needs review and revision in line with current general practice. In many instances it would be inappropriate, if not a conflict of interest, for an external auditor engaged by the insurer to engage directly with the supervisor and/or for the group-wide supervisor to access work of an external auditor engaged by an insurer. External auditors' findings may be consulted during insurer examination but always in accordance with established protocols that may include insurer consent. Also, professional standards may also apply.</p> <p>The group-wide supervisor may not have authority over the external auditor. Instead of requiring the auditor to report to the group-wide supervisor if it suspects fraud or regulatory breaches, the external auditor should be required to report such findings to the IAIG's Board or Audit Committee, and the IAIG should be required to provide that report to the group-wide supervisor</p> <p>The consultation document seems to repeat the text of ICP 5 instead of ICP 7 in the beginning of the chapter. GFIA assumes that the text of ICP 7 is not intended to change from: "The supervisor requires insurers to establish and implement a corporate governance framework which provides for sound and prudent management and oversight of the insurer's business and adequately recognises and protects the interests of policyholders".</p> <p>The GFIA welcomes the focus on key risk managers and decision makers within the IAIG and encourages the IAIS to further explicitly incorporate the principle of proportionality in the integration of ComFrame with ICP 7. However, GFIA considers that more consideration needs to be given to whether the governance requirements are properly imposed on the group's Board or the corporate legal entity.</p> <p>On some of the ICP content:</p> <p>It goes beyond the remit of insurance supervisors to require some Board members to be non-executive, let alone the Chair. The good practice and other references to executive and non-executive members mentioned in ICPs 7.3.5 and 7.6.3 should therefore be deleted.</p> <p>It is not clear what the IAIS would expect as "clear and objective independence criteria" insurers are meant to establish for "an adequate number of members of the Board (i.e. non-executive Board members)" in ICP 7.3.8 and whether this would not be more appropriate in the context of ICP 5, rather than ICP 7.</p> <p>GFIA would suggest that the duties laid out in ICP 7.6 and related Guidance on remuneration policies is overly detailed and prescriptive.</p>
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30. American Council of Life Insurers	Office of General Counsel	No	<p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and we would express the following concerns with ICP 7:</p> <p>*Lack of Objective Criteria or Standards to Guide Supervisory Action*:</p> <p>There are frequent references to actions that group-wide supervisors are expected to take, such as verification of appropriateness of functions. There is however no guidance on how these actions should take place and more importantly a lack of objective criteria to determine the appropriateness of the action. Examples are ICP 7.8.7 and 7.8.8.</p> <p>*Lack of Reference to Globally Recognized Control Structures for Guidance as to Application of Principles of Proportionality and Absence of Concept of Materiality*:</p> <p>While implicit in the concept of proportionality which is set out in Paragraph 9 of the ICP Introduction, the concept of materiality and reference to globally recognized control structures and industry standards are largely absent from the ICPs and related ComFrame sections. Without these important reference points, the nature, timing and extent of required review procedures could be significantly misunderstood and/or misinterpreted, putting an exceptional burden on firms and their supervisors.</p> <p>While it may be clear that a supervisor applies the concept of proportionality when considering what requirements should apply to an insurer based on its size and the nature and complexity of its business, it is less clear that once the decision is</p>

			<p>made that proportionality governs also the depth/granularity of understanding, reporting or other requirement recommended in guidance. As such, we would propose that materiality be made an explicit element of the concept of proportionality and that the IAIS consider either adding an additional "Overarching Concept" paragraph or expanding the concept of proportionality to incorporate globally recognized control structures or industry standards that could be appropriate guides to how to right-size governance, risk management and internal control measures. See, for example, our comments on in response to Qs 11,13, 15 and 16 below.</p> <p>*Board Qualification and Role*:</p> <p>Rotation of chairs of Committees would require the need for more experts in that area. Board members should be more strategic and focus on leading the company in the right direction. Senior management is responsible for the day to day business and sound functioning of the enterprise (see ICP 7.3.6).</p> <p>The failure to distinguish between group and legal entity boards and the roles they play continues in ICP 7 where it is inferred that the board has responsibility for every legal entity. Legal entities have their own boards with local requirements and fiduciary duties. This distinction must be recognized.</p> <p>*External Auditor Reporting to Regulators*:</p> <p>There is no generally applicable legal or regulatory requirement in the U.S. for external auditors to report directly to regulators. Therefore, we suggest that the exchange of information between external auditor and supervisors referenced in several areas throughout the ICPs and related ComFrame provisions (see for example ICPs 7.8.5 and 9.4.9) needs review and revision in line with current general practice. In many instances it would be inappropriate, if not a conflict of interest, for an external auditor engaged by the insurer to engage directly with the supervisor and/or for the group-wide supervisor to access work of an external auditor engaged by an insurer. External auditors' findings may be consulted during insurer examination but always in accordance with established protocols that may include insurer consent. The group-wide supervisor may not have authority over the external auditor. Instead of requiring the auditor to report to the group-wide supervisor if it suspects fraud or regulatory breaches, the external auditor should be required to report such findings to the IAIG's Board or Audit Committee, and the IAIG should be required to provide that report to the group-wide supervisor.</p>
32. Swiss Re	Switzerland	No	<p>By explicitly recognizing the notion of the 'interest of the group', the IAIS would properly acknowledge that directors of subsidiaries should be allowed to reasonably consider the parent's interest without prejudice to their fiduciary duties toward their subsidiary. This would provide enhanced flexibility for management of groups especially on a cross-border basis, and provide directors with comfort in potential conflicts of interest when taking directions from the parent board. We appreciate</p>

			that CF7.3.b.1 describes conflicts of interest between the group-wide interests and those of any legal entity. It would therefore be fitting to amend CF7.3.b.2 so that the IAIG Board, once informed of unavoidable conflicts of interest, prescribes measures to mitigate any adverse impact in appropriate recognition of the interest of the group.
33. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the focus on key risk managers and decision makers within the IAIG, and encourages the IAIS to further explicitly incorporate the principle of proportionality in the integration of ComFrame with ICP 7.</p> <p>However, we consider that more consideration needs to be given to whether the governance requirements are properly imposed on the group's Board or the corporate legal entity.</p>
34. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
35. MetLife, Inc	USA	No	<p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and we would express the following concerns with ICP 7:</p> <p>Lack of Objective Criteria or Standards to Guide Supervisory Action There are frequent references to actions that group-wide supervisors are expected to take, such as verification of appropriateness of functions. There is however no guidance on how these actions should take place and more importantly a lack of objective criteria to determine the appropriateness of the action. Examples are ICP 7.8.7 and 7.8.8..</p> <p>Lack of Reference to Globally Recognized Control Structures for Guidance as to Application of Principles of Proportionality and Absence of Concept of Materiality While implicit in the concept of proportionality which is set out in Paragraph 9 of the ICP Introduction, the concept of materiality and reference to globally recognized control structures and industry standards are largely absent from the ICPs and related ComFrame sections. Without these important reference points, the nature, timing and extent of required review procedures could be significantly misunderstood and/or misinterpreted, putting an exceptional burden on firms and their supervisors.</p> <p>While it may be clear that a supervisor applies the concept of proportionality when considering what requirements should apply to an insurer based on its size and the nature and complexity of its business, it is less clear that once the decision is made that proportionality governs also the depth/granularity of understanding, reporting or other requirement recommended in guidance. As such, we would propose that materiality be made an explicit element of the concept of proportionality and that the IAIS consider either adding an additional "Overarching Concept" paragraph or expanding the concept of proportionality to incorporate globally recognized control structures or industry standards that could be appropriate guides to</p>

			<p>how to right-size governance, risk management and internal control measures. See, for example, our comments on in response to Qs 11,13, 15 and 16 below.</p> <p>Board Qualification and Role Rotation of chairs of Committees would require the need for more experts in that area. Board members should be more strategic and focus on leading the company in the right direction. Senior management is responsible for the day to day business and sound functioning of the enterprise (see ICP 7.3.6). The failure to distinguish between group and legal entity boards and the roles they play continues in ICP 7 where it is inferred that the board has responsibility for every legal entity. Legal entities have their own boards with local requirements and fiduciary duties. This distinction must be recognized.</p> <p>External Auditor Reporting to Regulators There is no generally applicable legal or regulatory requirement in the U.S. for external auditors to report directly to regulators. Therefore we suggest that the exchange of information between external auditor and supervisors referenced in several areas throughout the ICPs and related ComFrame provisions (see for example ICPs 7.8.5 and 9.4.9) needs review and revision in line with current general practice. In many instances it would be inappropriate, if not a conflict of interest, for an external auditor engaged by the insurer to engage directly with the supervisor and/or for the group-wide supervisor to access work of an external auditor engaged by an insurer. External auditors' findings may be consulted during insurer examination but always in accordance with established protocols that may include insurer consent. The group-wide supervisor may not have authority over the external auditor. Instead of requiring the auditor to report to the group-wide supervisor if it suspects fraud or regulatory breaches, the external auditor should be required to report such findings to the IAIG's Board or Audit Committee, and the IAIG should be required to provide that report to the group-wide supervisor.</p>
36. Property Casualty Insurers Association of America (PCI)	USA	No	<p>We recommend that some text currently in ICP 7 be moved to the ComFrame Introduction as an overarching issue and added to the text in the introduction with paragraphs 22-25.</p> <p>The issue pertains to an item covered in the part of the August 29, 2018 Stakeholder call on "Overarching Issues Related to Drafting of ComFrame," specifically on prescriptiveness, limiting the necessary flexibility, one-size-fits-all approach, and materiality. This is an issue that was raised by some Stakeholders in the earlier consultation on ICP 7, to which the IAIS responded at that time as follows:</p> <p>"In most of the cases it is clear that the Head of the group/IAIG takes into account the overall risks and activities of the individual legal entities across the group and focuses on those which are material for the group as a whole, even when materiality is not referred to explicitly. To help clarify this issue and the role of materiality, new text has will be added to</p>

			<p>Introductory Guidance of ICP 7. Materiality is mentioned explicitly when it is necessary taking into account the context of the standard, in particular when a standard is not supported by guidance that provide further details on which risks, activities, etc. should be considered in a particular case."</p> <p>As was mentioned on the Stakeholder call, language was indeed added to ICP 7, specifically, paragraph 7.0.8, which states as follows:</p> <p>"The head of the group is ultimately responsible for the group's sound and prudent management. In doing so, it should take into account the risks and activities of the individual legal entities within the group, focusing in particular on those which are material for the group as a whole. While the ultimate responsibility for corporate governance at the group-level lies with the head of the group, the legal entities within a group are, and remain, fully responsible for their own sound and prudent management. As a result of this distinction in responsibilities, it is important to have appropriate coordination on corporate governance, based on the group's organizational model, between the group-wide level and the legal entity level."</p> <p>It was noted on the call that proportionality applies to IAIGs, too, given their varying complexities, even if materiality is not referred to specifically in the text.</p> <p>All that said, paragraph 7.0.8 is in the ICP text and therefore is not subject to the current consultation. Nonetheless, and despite that the paragraph clearly is an overarching issue - as described in the stakeholder call - it now resides in the text of a single ICP (ICP 7) rather than in the Introduction to the ICPs and ComFrame where other overarching material is included (e.g., paragraphs 9 and 10 on proportionality and risk-based supervision; and paragraphs 22-25 on allocation of roles, governance structures, and group-wide supervision). Placed in ICP 7 and phrased in the context of governance, it would not seem to have that overarching intent. Therefore, we recommend moving paragraph 7.0.8 from ICP 7 to the Introduction to ComFrame and including it with the other overarching concepts that begin at paragraph 22. We also recommend that it be explicitly clarified to apply to governance broadly, specifically including the applicable control functions which are covered in other ICPs - compliance, actuarial, audit, and enterprise risk management.</p> <p>Board Qualification and Role</p> <p>Rotation of chairs of Board committees would require more experts in the subject matter of specific committees. Board members should be more strategic and focus on leading the company in the right direction. Senior management is responsible for the day to day business and sound functioning of the enterprise (see ICP 7.3.6). The failure to distinguish between group and legal entity boards and the roles they play continues in ICP 7 which implies that the Board has responsibility for every legal entity. Legal entities have their own boards with local requirements and fiduciary duties. This</p>
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			<p>distinction must be recognized.</p> <p>External Auditor Reporting to Regulators</p> <p>There is no generally applicable legal or regulatory requirement in the U.S. for external auditors to report directly to regulators. Therefore, we suggest that the exchange of information between external auditor and supervisors referenced in several areas throughout the ICPs and related ComFrame provisions (see for example ICPs 7.8.5 and 9.4.9) needs review and revision in line with current general practice. In many instances it would be inappropriate, if not a conflict of interest, for an external auditor engaged by the insurer to engage directly with the supervisor and/or for the group-wide supervisor to access work of an external auditor engaged by an insurer. External auditors' findings may be consulted during insurer examination but always in accordance with established protocols that comply with professional standards and guidance applicable to auditors and which may include insurer consent.</p> <p>The group-wide supervisor may not have authority over the external auditor. Instead of requiring the auditor to report to the group-wide supervisor if it suspects fraud or regulatory breaches, the external auditor should be required to report such findings to the IAIG's Board or Audit Committee, and the IAIG should be required to provide that report to the group-wide supervisor.</p>
Q5 Comment on ComFrame Standard CF7.0.a			
37. Assuris	Canada	No	Assuris supports the Head of the IAIG documenting the legal and management structures and inter-relationships within the IAIG. Understanding the corporate structure and the interconnectedness within the IAIG will help CMG prepare for recovery and resolution.
38. Insurance Europe	Europe	No	Insurance Europe appreciates the flexibility for the concrete form of policy documentation introduced in the amended wording. However, it is unclear from this Standard whether the purpose of the document anticipated by this Standard is to enable the supervisor and/or the IAIG to have the understanding of the IAIG's structure.
39. Global Federation of Insurance Associations	Global	No	GFIA appreciates the flexibility for the concrete form of policy documentation introduced in the amended wording. However, it is unclear from this Standard whether the purpose of the document anticipated by this Standard is to enable the supervisor and/or the IAIG to have the understanding of the IAIG's structure. GFIA is of the view that it should be the IAIG.
40. AIA Group	Hong Kong	No	While we are supportive of the general principles outlined in the ComFrame material under ICP 7 being also applied to the Head of the IAIG, requiring the Head of IAIG to perform significant oversight responsibilities for itself as well as all of its

			<p>insurance legal entities would seem to be impracticable, particularly with those large insurance groups which adopt a decentralised model, like AIA. As set out in the ComFrame introduction, we agree ComFrame should be neutral towards centralised and decentralised structures. The supervisor should appreciate that so long as material issues at subsidiary level can be effectively communicated to the Board of the Head of IAIG through a formal escalation process, the insurer should be allowed to delegate oversight responsibility to the subsidiary Boards under the decentralised model. Where appropriate, material considerations should also be incorporated into the requirements applicable to the IAIG Board's oversight responsibilities over its subsidiaries.</p> <p>We would also invite clarification that the requirements set out in ICP 7 should be proportionate to the nature, scale and complexity of the supervised entity such that Boards at the subsidiary level are not necessarily subject to the same requirements as Board at the parent company level. The insurer should be allowed to justify why applying the same requirements to certain subsidiary level Boards may not be appropriate.</p>
42. Swiss Re	Switzerland	No	<p>We believe that it is important to recognize the internal structure of the group governance. For example, local boards should be allowed to take responsibility for local operating entities as the law may require it. However, in order to improve the alignment and consistency of provisions on group corporate governance, as recommended in the 2016 report on the recognition of the interest of the group by the Informal Company Law Expert Group (ICLEG), it seems important for the IAIS to adopt the notion of group interest. Without prejudice to the fiduciary duties local board members owe to local subsidiaries, we would like to suggest that CF7 recognize the notion of 'group interest'. CF7.0.a could be amended to fully acknowledge that directors of subsidiaries should be allowed to reasonably consider the parent's interest. Therefore, we suggest to add the following sentence to the standard 'This, in turn, would also allow directors of subsidiaries to take reasonable account of the group interest'.</p>
43. Association of British Insurers	United Kingdom	No	<p>It is unclear whether the purpose of the document anticipated by this Standard is to enable the supervisor and/or the IAIG to have an understanding of the IAIG's structure.</p>
44. Cincinnati Insurance Company	United States of America	No	<p>See answer to Q1.</p>
45. American Property Casualty Insurance Association (APCI)	USA	No	<p>The IAIS partially addressed prior comments of AIA by removing reference to a single document. But the standard still requires the Head of the IAIG to prepare and maintain the documentation, which is an unrealistic expectation for larger and more complex IAIGs. Typically, a Head of IAIG will oversee a number of businesses or business units, each with its own structures for senior management, governance, etc. It is reasonable for the Head of the IAIG to have a good understanding and documentation at group level and at the major business/business unit level, but not necessarily for each legal entity within those units for which corresponding documentation would typically be maintained at the respective business unit. We</p>

			<p>recommend the following:</p> <p>The group-wide supervisor requires the Head of the IAIG have an understanding of the legal and management structures of, and inter-relationships within, the IAIG, supported by documentation that is maintained and readily available to the group-wide supervisor, and to be able to demonstrate to the group-wide supervisor such an understanding of its structure to help identify and manage risks.</p> <p>We believe the foregoing suggested changes to be appropriate and consistent with the ComFrame introductory language regarding governance structures (see para 35 in the Draft overall ComFrame for public consultation document).</p>
46. Property Casualty Insurers Association of America (PCI)	USA	No	<p>The IAIS partially addressed prior comments of PCI and the Global Federation of Insurance Associations by removing reference to a single document setting forth the IAIG's legal and management structure. But the standard still requires the Head of the IAIG to prepare and maintain the documentation, which is an unrealistic expectation for larger and more complex IAIGs. Typically, a Head of IAIG will oversee a number of businesses or business units, each with its own structures for senior management, governance, etc. It is reasonable for the Head of the IAIG to have a good understanding and documentation at group level and at the major business/business unit level, but not necessarily for each legal entity within those units for which corresponding documentation would typically be maintained at the respective business unit. We recommend the following:</p> <p>"The group-wide supervisor requires the Head of the IAIG to have an understanding of the legal and management structures of, and inter-relationships within, the IAIG, supported by documentation that is maintained and readily available to the group-wide supervisor, and to be able to demonstrate to the group-wide supervisor such an understanding of its structure to help identify and manage risks."</p> <p>We believe the foregoing suggested changes to be consistent with the ComFrame introductory language regarding governance structures (see para 35 in the Draft overall ComFrame for public consultation document).</p>
Q6 Comment on ComFrame Guidance CF7.0.a.1			
47. China Banking and Insurance Regulatory Commission (CBIRC)	China	No	<p>This section recommend that the IAIS document off-balance sheet entities. We suggest further clarifying what types of entities should be covered and the corresponding criteria for such judgement.</p>

48. Insurance Europe	Europe	No	<p>Insurance Europe suggests that the requirement to provide the information listed in the 3rd and 5th bullet points of this Guidance be subject to materiality considerations.</p> <p>Further, Insurance Europe suggests removing the reference to common directors in the 5th bullet point, as the materiality of legal entities or business lines is likely to be determined on factors other than common directors.</p>
49. Global Federation of Insurance Associations	Global	No	<p>GFIA welcomes the clarification that CF7.0. a can be met via « documentation » rather than a single specific document.</p> <p>GFIA suggests that the requirement to provide information with regard to off-balance sheet entities (new bullet point three) and financial and non-financial ties (new bullet point five) should be subject to materiality considerations.</p>
51. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the clarification that CF7.0.a can be met via "documentation" rather than a single specific document.</p> <p>The ABI proposes that the requirement to provide information with regard to off-balance sheet entities (new bullet point three) and financial and non-financial ties (new bullet point five) should be subject to materiality considerations.</p>
53. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
54. American Property Casualty Insurance Association (APCI)	USA	No	Please see our response to Q5 and the suggested change to CF 7.0.a. If that change were made, we would then be fine with the guidance at CF7.0.a.1 as the IAIG would have flexibility, given its corporate, management and governance structures, to maintain some of the suggested documentation at the business unit level. In the absence of our suggested change to CF 7.0.a there should be some corresponding guidance added for materiality considerations, e.g., with respect to financial ties (such as for documentation expected to be maintained at the Head of the IAIG pertaining to commercial contracts between legal entities).
55. Property Casualty Insurers Association of America (PCI)	USA	No	Please see our response to Q5 and the suggested change to CF 7.0.a. If that change were made, we would then be fine with the guidance at CF7.0.a.1 as the IAIG would have flexibility, given its corporate, management and governance structures, to maintain some of the suggested documentation at the business unit level. In the absence of our suggested change to CF 7.0.a there should be some corresponding guidance added for materiality considerations, e.g., with respect to financial ties (such as for documentation expected to be maintained at the Head of the IAIG pertaining to commercial contracts between legal entities). Our preference however is to change the standard as we have suggested, and leave the guidance as currently drafted.
Q7 Comment on ComFrame Standard CF7.0.b			

56. Canadian Institute of Actuaries	Canada	No	The group-wide supervisor requires the IAIG Board to ensure that the group-wide corporate governance framework is appropriate to the structure, business and risks of the IAIG, including its legal entities.
57. Insurance Europe	Europe	No	Insurance Europe welcomes the new aligned wording of Standard CF7.0b with the ICP framework.
58. Global Federation of Insurance Associations	Global	No	GFIA welcomes the explicit reference to proportionality in this Standard.
60. Association of British Insurers	United Kingdom	No	The ABI welcomes the explicit reference to proportionality in this Standard.
61. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q8 Comment on ComFrame Standard CF7.0.c			
62. Insurance Europe	Europe	No	Insurance Europe welcomes the new aligned wording of Standard CF7.0c with the ICP framework. However, further clarification on the IAIS' expectations of "clear reporting lines" would be appreciated.
63. German Insurance Association	Germany	No	GDV welcomes the new aligned wording of Standard CF7.0c with the ICP framework. However, further clarification on "clear reporting lines" would be appreciated.
64. Global Federation of Insurance Associations	Global	No	GFIA welcomes the new aligned wording of Standard CF7.0c with the ICP framework. However, GFIA questions whether this standard is emphasizing a centralized governance model over a decentralized approach. In addition, some jurisdictions strictly ensure that authority resides in-country. The notion of "clear reporting lines" to the parent therefore is not always possible.
66. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

67. Prudential Financial, Inc.	United States of America	No	We believe that given the size and complexity of IAIGs, the requirement for clear reporting lines between the head of the IAIG and the legal entities would be overly burdensome and produce little benefit - especially in the case of immaterial legal entities. We believe any subsidiary governance requirement should be left to the discretion of management and the board. In addition, the text appears to assume entities within the IAIG are - or suggest they should be - managed as standalone businesses. To better accommodate varying corporate structures, we recommend rewording the standard as follows: "The group-wide supervisor requires the Head of the IAIG to establish a governance framework that covers the Head of the IAIG and the legal entities within the IAIG."
Q9 Comment on ComFrame Standard CF7.1.a			
68. Insurance Europe	Europe	No	Insurance Europe appreciates the streamlining of the ComFrame material related to ICP 7.1. The reference to the independence of day-to-day management should be reconsidered. It is not clear what additional value this section brings to the Standard. The effective oversight of the IAIG's group-wide operations will, indeed, represent the core of the IAIG Board's management function. The scope and exact meaning of "day-to-day management" in this context is not clear and should therefore be deleted.
69. Global Federation of Insurance Associations	Global	No	The text - "independent of day-to-day management" at the end of the sentence should be deleted as day-to-day management should be integral to the governance structure.
71. Association of British Insurers	United Kingdom	No	The text "independent of day-to-day management" at the end of the sentence should be deleted as day-to-day management should be integral to the governance structure.
72. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q10 Comment on ComFrame Standard CF7.2.a			
73. Insurance Europe	Europe	No	While Insurance Europe agrees that an IAIG's strategy will broadly account for the listed features in CF7.2a, the setting of concrete objectives and of the overall strategy should remain in the IAIG's commercial decision-making power. In establishing an IAIG's strategy, suitable members of an IAIG Board will act prudently and take into account the necessary requirements and interests. Insurance Europe would propose that the list in CF7.2a be moved into the subsequent

			Guidance and the Standard be amended to require the IAIG Board to act responsibly and prudently when setting and implementing the IAIG's corporate culture, objectives, and strategy. This would, in fact, reflect the approach taken for the respective provisions for non-IAIGs in 7.2 and 7.2.1.
74. Global Federation of Insurance Associations	Global	No	<p>While GFIA agrees that an IAIG's strategy will broadly account for the listed features in CF7.2a, the setting of concrete objectives and of the overall strategy should remain in the IAIG's commercial decision-making power. In establishing an IAIG's strategy, suitable members of an IAIG Board will act prudently and take into account the necessary requirements and interests. GFIA would propose that the list in CF7.2a be moved into the subsequent Guidance and the Standard be amended to require the IAIG Board to act responsibly and prudently when setting and implementing the IAIG's corporate culture, objectives, and strategy. This would, in fact, reflect the approach taken for the respective provisions for non-IAIGs in 7.2 and 7.2.1.</p> <p>GFIA would strongly recommend use of a term other than "ensure" to describe the responsibility of the IAIG Board for the content of group-wide business objectives and strategies for achieving objectives. Under many jurisdictional models, senior management is responsible for developing and advising the board on strategy, as well as executing on it and this responsibility falls within senior management responsibilities.</p> <p>In addition, it is doubtful that the group-wide or lead insurance supervisor has authority over the board of directors in all jurisdictions. Our comments under Q4 Board Qualifications and Role on the need to consider the distinction between group and jurisdictional level board responsibilities also apply. Therefore, GFIA recommends rewording CF 7.2.a (and similar guidance) as follows:</p> <p>The IAIG Board oversees the development by IAIG Key Persons of group-wide business objectives, and strategies for achieving those objectives, that should take into account at least the following: In the 3rd bullet, "customers" should be added after "policyholders". The 4th bullet should be deleted since the word "fair" is very subjective.</p>
75. Institute of International Finance	Global	No	<p>We would strongly recommend use of a term other than "ensure" to describe the responsibility of the IAIG Board for the content of group-wide business objectives and strategies for achieving objectives. Under many jurisdictional models, senior management is responsible for developing and advising the board on strategy, as well as executing on it and this responsibility falls within senior management responsibilities.</p> <p>In addition, it is doubtful that the group-wide or lead insurance supervisor has authority over the board of directors in all jurisdictions. Therefore we recommend rewording CF 7.2.a (and similar guidance) as follows:</p>

			"CF 7.2.a The IAIG Board oversees the development by IAIG Key Persons of group-wide business objectives, and strategies for achieving those objectives, that should take into account at least the following...."
76. International Actuarial Association	International	No	CF 7.2. arises from ICP 7 on Corporate Governance. The minimum standards in CF 7.2 for IAIG's business objectives and strategies go too far. Corporate Governance should aim at appropriate implementation of business objectives and strategies, not at its content. ICP Guidance 7.2.1 also refers to business objectives and strategies as well, but this is made at a guidance level only and is therefore potentially acceptable.
77. General Insurance Association of Japan	Japan	No	Please clarify that this standard requires these 5 bullet points to be considered, but does not require explicit reporting of consideration process.
78. American Council of Life Insurers	Office of General Counsel	No	<p>We would strongly recommend use of a term other than "ensure" to describe the responsibility of the IAIG Board for the content of group-wide business objectives and strategies for achieving objectives. Under many jurisdictional models, senior management is responsible for developing and advising the board on strategy, as well as executing on it and this responsibility falls within senior management responsibilities.</p> <p>In addition, it is doubtful that the group-wide or lead insurance supervisor has authority over the board of directors in all jurisdictions. Our comments under Q4 Board Qualifications and Role on the need to consider the distinction between group and jurisdictional level board responsibilities also apply. Therefore we recommend rewording CF 7.2.a (and similar guidance) as follows: "CF 7.2.a The IAIG Board oversees the development by IAIG Key Persons of group-wide business objectives, and strategies for achieving those objectives, that should take into account at least the following...."</p> <p>In the 3rd bullet, "customers" should be added after "policyholders". The 4th bullet should be deleted since the word "fair" is very subjective.</p>
80. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
81. Prudential Financial, Inc.	United States of America	No	The "and other stakeholders" reference in the third bullet appears unnecessary given the broad coverage the other bullets provide. We recommend striking this reference. If retained, please provide parenthetical examples of the stakeholders the IAIS envisions warrant consideration.

82. MetLife, Inc	USA	No	<p>We would strongly recommend use of a term other than "ensure" to describe the responsibility of the IAIG Board for the content of group-wide business objectives and strategies for achieving objectives. Under many jurisdictional models, senior management is responsible for developing and advising the board on strategy, as well as executing on it and this responsibility falls within senior management responsibilities.</p> <p>In addition, it is doubtful that the group-wide or lead insurance supervisor has authority over the board of directors in all jurisdictions. Our comments under Q4 Board Qualifications and Role on the need to consider the distinction between group and jurisdictional level board responsibilities also apply. Therefore we recommend rewording CF 7.2.a (and similar guidance) as follows: CF 7.2.a The IAIG Board oversees the development by IAIG Key Persons of group-wide business objectives, and strategies for achieving those objectives, that should take into account at least the following....</p>
83. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI believes the text remains overly prescriptive and without sufficient consideration of materiality. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, the text of CF7 2.a remains overly prescriptive.</p> <p>We would strongly recommend use of a term other than "ensure" to describe the responsibility of the IAIG Board for the content of group-wide business objectives and strategies for achieving objectives. Under many jurisdictional models, senior management is responsible for developing and advising the board on strategy, as well as executing on it and this responsibility falls within senior management responsibilities.</p> <p>In addition, it is doubtful that the group-wide or lead insurance supervisor has authority over the board of directors in all jurisdictions. Therefore, we recommend rewording the lead-in statement of CF 7.2.a (and similar guidance) as follows: "CF 7.2.a The IAIG Board oversees the development by IAIG Key Persons of group-wide business objectives, and strategies for achieving those objectives, that should take into account at least the following...."</p>
Q11 Comment on ComFrame Guidance CF7.2.a.1			
84. Insurance Europe	Europe	No	It is not obvious why these provisions should be IAIG-specific.
85. Global Federation of Insurance Associations	Global	No	A materiality qualifier should be added to the concept of risks. Goals and measures need to be defined. The first part of the sentence should be modified to read "The IAIG Board should establish oversee the establishment of processes for identifying and addressing material risks".

86. Institute of International Finance	Global	No	CF7.2.a.1 currently reads "The IAIG Board should establish processes for identifying risks to the proper implementation of the IAIG's objectives and strategies for achieving those objectives, including any emerging risks." We feel more appropriate wording given the nature of Board responsibilities would be "The IAIG Board should oversee the establishment of processes for identifying risks...".
87. American Council of Life Insurers	Office of General Counsel	No	A materiality qualifier should be added to the concept of risks. Goals and measures need to be defined. We recommend the following change - "The IAIG Board should oversee the establishment of processes for identifying and addressing material risks..."
89. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
90. MetLife, Inc	USA	No	A materiality qualifier should be added to the concept of risks. Goals and measures need to be defined.
91. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, the text of CF7 2.a.1 remains overly prescriptive.sufficient consideration of materiality issues
Q12 Comment on ComFrame Guidance CF7.2.a.2			
92. Insurance Europe	Europe	No	This Guidance should indicate that information sharing between supervisors is subject to confidentiality requirements.
93. Global Federation of Insurance Associations	Global	No	This Guidance should indicate that information sharing between supervisors is subject to confidentiality requirements.
95. Association of British Insurers	United Kingdom	No	This Guidance should indicate that information sharing between supervisors is subject to confidentiality requirements.

96. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q13 Comment on ComFrame Standard CF7.2.b			
97. Insurance Europe	Europe	No	<p>Insurance Europe suggests removing the requirement for annual provision of this explanation of strategy, so that supervisors can require this on a more proportionate basis (eg periodically), for example when there is a change in strategy.</p> <p>It should be clarified in this Standard to whom the Head of the IAIG is required to provide this explanation of strategy. Alternatively, "provide" could be replaced with "develop".</p> <p>Insurance Europe would further ask that the limitation to "key" legal entities be maintained in the Standard text.</p>
98. German Insurance Association	Germany	No	<p>GDV recommends removing the requirement for annual provision of this explanation of strategy, so that supervisors can require this on a more proportionate basis (e.g. to periodically), especially when there is a material change in strategy.</p> <p>GDV highly recommends leaving the "key" in the text for proportionate implementation.</p>
99. Global Federation of Insurance Associations	Global	No	<p>While the concept of "key legal entities" has been removed, there is now no materiality qualifier for the Head of the IAIG's responsibility regarding the business strategy of all legal entities within a group. If the goal is to ensure that the Head of the IAIG is monitoring the business strategy set forth by the IAIG Board, this oversight responsibility should be limited to "material" entities, and "material" should be defined.</p> <p>It should be clarified in this Standard to whom the Head of the IAIG is required to provide this explanation of strategy; alternatively, GFIA suggests that "provide" is replaced with "develop".</p> <p>GFIA suggests removing the requirement for annual provision of this explanation of strategy, so that supervisors can require this on a more proportionate basis, for example when there is a change in strategy. While it may be reasonable to provide an update on strategy annually, the requirement in CF 7.2.b for an explanation of the strategy is too prescriptive.</p> <p>GFIA would also reiterate an overarching comment in Q4 above as to the failure of ComFrame and the ICPs to make the important distinction between group and legal entity boards and the roles they play. Legal entities have their own boards with local requirements and fiduciary duties. This distinction must be recognized.</p> <p>The phrase "to the IAIG Board" should follow "The group-wide supervisor requires the Head of the IAIG to provide".</p>

			The word "set" should be replaced with "approved".
100. Institute of International Finance	Global	No	There are numerous references to legal entities and/or business lines within the updated sections of ICP 7 open to comment. In one case within 7.2.b the term "key" was removed from before legal entity. We would suggest that here and in other references to legal entity with explicit or timed requirements that some wording remain to ensure proportionality be considered such as use of the word "material".
101. American Council of Life Insurers	Office of General Counsel	No	<p>While the concept of "key legal entities" has been removed, there is now no materiality qualifier for the Head of the IAIG's responsibility regarding the business strategy of all legal entities within a group. If the goal is to ensure that the Head of the IAIG is monitoring the business strategy set forth by the IAIG Board, this oversight responsibility should be limited to "material" entities, and "material" should be defined.</p> <p>We would also reiterate an overarching comment in Q4 above as to the failure of ComFrame and the ICPs to make the important distinction between group and legal entity boards and the roles they play. Legal entities have their own boards with local requirements and fiduciary duties. This distinction must be recognized. The phrase "to the IAIG Board" should follow "The group-wide supervisor requires the Head of the IAIG to provide". The word "set" should be replaced with "approved".</p>
103. Association of British Insurers	United Kingdom	No	<p>It should be clarified in this Standard to whom the Head of the IAIG is required to provide this explanation of strategy; alternatively, we suggest that "provide" is replaced with "develop".</p> <p>The ABI suggests removing the requirement for annual provision of this explanation of strategy, so that supervisors can require this on a more proportionate basis, for example when there is a change in strategy. While it is reasonable to provide an update on strategy annually, the wording here requiring an explanation of the strategy is too prescriptive.</p>
104. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
105. Prudential Financial, Inc.	United States of America	No	We believe that given the size and complexity of IAIGs, requiring an explanation of the strategy of legal entities would be overly burdensome and will produce little benefit - especially in the case of immaterial legal entities. We believe the standard should be revised to read as follows: "The group-wide supervisor requires the Head of the IAIG to provide, at least annually, an explanation of the strategy that the IAIG Board has set for the IAIG and its key business lines."

106. American Property Casualty Insurance Association (APCI)	USA	No	<p>As currently drafted, we feel that these requirements are overly prescriptive and may insert a GWS too deeply into the business plans of the IAIG.</p> <p>The implication is that the IAIG Board sets the strategy not just as a whole, but for all of its legal entities and business lines as well, which has not been our experience with larger firms. We would suggest the following changes to the text:</p> <p>The group-wide supervisor requires the Head of the IAIG to provide, at least annually, an explanation of the strategy that the IAIG Board has set for the IAIG as a whole, including how that strategy would impact its key legal entities and business lines.</p>
107. MetLife, Inc	USA	No	<p>While the concept of "key legal entities" has been removed, there is now no materiality qualifier for the Head of the IAIG's responsibility regarding the business strategy of all legal entities within a group. If the goal is to ensure that the Head of the IAIG is monitoring the business strategy set forth by the IAIG Board, this oversight responsibility should be limited to "material" entities, and "material" should be defined.</p> <p>We would also reiterate an overarching comment in Q4 above as to the failure of ComFrame and the ICPs to make the important distinction between group and legal entity boards and the roles they play. Legal entities have their own boards with local requirements and fiduciary duties. This distinction must be recognized.</p>
108. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, the text remains overly prescriptive.</p> <p>Moreover, the implication is that the IAIG Board sets the strategy not just for the IAIG as a whole, but for all of its legal entities and business lines as well, which has not been our experience with larger firms.</p> <p>Therefore, in addition to what we have recommended for the overarching concepts include in the ComFrame Introduction, we would suggest the following changes:</p> <p>"The group-wide supervisor requires the Head of the IAIG to provide, at least annually, an explanation of the strategy that</p>

			the IAIG Board has set for the IAIG as a whole, including how that strategy would affect its key legal entities and business lines."
109. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	While we agree that the Head of the IAIG should provide an explanation of its proposed strategy for consideration by the Board, we are concerned the current wording reads as if that the IAIG Board sets the strategy for all its legal entities and business lines, which would be the job of the individual entity boards. Suggest rewording to: "The group-wide supervisor requires the Head of the IAIG to provide, at least annually, an explanation of the strategy that the IAIG Board has set for the IAIG as a whole."
Q14 Comment on ComFrame Guidance CF7.2.b.1			
110. Insurance Europe	Europe	No	<p>It is not clear how an IAIG's strategy would necessarily provide information about the IAIG's corporate governance framework.</p> <p>Insurance Europe would urge the IAIS to introduce a materiality threshold ("material' or "significant'), at least for bullet points 3, 5 and 6. Further, the IAIS should reconsider the necessity of including anticipated changes in market share (5th bullet point).</p>
111. Global Federation of Insurance Associations	Global	No	<p>The use of the term "among other things" creates uncertainty and should be removed.</p> <p>GFIA suggests that the bullet points 3, 5 and 6 be qualified by including the word "material' or "significant'. GFIA also questions whether it is necessary for the strategy document to include anticipated changes in market share (bullet point five).</p> <p>The concept of proportionality should be raised here, as there is no specific guidance for the level of detail required to be provided by the IAIG. Also, what is the rationale behind adding the corporate governance framework to the initial paragraph but then setting out the other items in bullets? It seems that the corporate governance framework should be a bullet to be described along with the other items.</p> <p>Also, confidentiality protection is especially important here.</p>
112. Institute of International Finance	Global	No	<p>The concept of proportionality should be raised here, as there is no specific guidance for the level of detail required to be provided by the IAIG. Also, what is the rationale behind adding the corporate governance framework to the initial paragraph but then setting out the other items in bullets? It seems that the corporate governance framework should be a bullet to be described along with the other items.</p>

113. General Insurance Association of Japan	Japan	No	As described in paragraph 21 of the ComFrame Introduction, that ComFrame guidance "does not represent any requirements", the list of issues to be included in the strategy is provided as a guidance. Therefore, we suggest revising "should include" to "may include" or "may include, but not limited to".
114. American Council of Life Insurers	Office of General Counsel	No	The concept of proportionality should be raised here, as there is no specific guidance for the level of detail required to be provided by the IAIG. Also, what is the rationale behind adding the corporate governance framework to the initial paragraph but then setting out the other items in bullets? It seems that the corporate governance framework should be a bullet to be described along with the other items.
116. Association of British Insurers	United Kingdom	No	The use of the term "among other things" creates uncertainty and should be removed. The ABI proposes that bullet points 3, 5 and 6 be qualified by including the word "material" or "significant". We also question whether it is necessary for the strategy document to include anticipated changes in market share (bullet point five).
117. American Academy of Actuaries	United States of America	No	Insurance groups are managed to multiple time horizons. They have short-term plans that span anywhere from one to three years and incorporate such measurements as sales, investment returns, expenses, earnings, and dividends paid. On the other end are longer-term plans that might include such outlooks as the solvency of the group and projected return on capital. We believe that the IAIS should consider this broad scope of business planning to make sure there is appropriate wording for what a group-wide supervisor would want to see in the strategic plans he or she reviews.
118. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
119. MetLife, Inc	USA	No	The concept of proportionality should be raised here, as there is no specific guidance for the level of detail required to be provided by the IAIG. Also, what is the rationale behind adding the corporate governance framework to the initial paragraph but then setting out the other items in bullets? It seems that the corporate governance framework should be a bullet to be described along with the other items.
120. Property Casualty Insurers Association of America (PCI)	USA	No	The concept of proportionality should be raised here, as there is no specific guidance for the level of detail required to be provided by the IAIG. . Please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. Also, what is the rationale behind adding the corporate governance framework to the initial paragraph but then setting out

			the other items in bullets? It seems that the corporate governance framework should be a bullet to be described along with the other items.
Q15 Comment on ComFrame Standard CF7.3.a			
121. Insurance Authority (IA)	China, Hong Kong	No	Suggest to add "investment" in the last bullet point as one of the minimum collective competence of the IAIG Board because the management of asset is critical in life insurance
122. Insurance Europe	Europe	No	Insurance Europe asks that the IAIS recognises the principle of proportionality in the context of CF 7.3a, eg in the following way: "The group-wide supervisor requires that the collective competence of the IAIG Board includes an appropriate understanding of at least:" [...] "- the activities of the significant legal entities within the IAIG, including associated significant risks;" "- the main supervisory regimes applicable to the IAIG;"
123. Global Federation of Insurance Associations	Global	No	While GFIA supports the intention of this Standard, there could be greater recognition of the overarching concept of proportionality in how this is applied - for example, by amending the following bullet points to provide some further qualification: The second bullet point should be amended to include the concept of materiality: "the activities of the significant legal entities, within the IAIG, including significant associated risks' or " The third bullet point should be amended to "the main supervisory regimes applicable to the IAIG'
124. American Council of Life Insurers	Office of General Counsel	No	We would suggest that the concept of materiality apply generally and in particular to Bullet 2, "the business of the legal entities within the IAIG, including associated risks;"
126. Association of British Insurers	United Kingdom	No	While the ABI supports the intention of this Standard, there could be greater recognition of the overarching concept of proportionality in how this is applied - for example, by amending the following bullet points to provide some further qualification: (1) The second bullet point should be amended to "the activities of the significant legal entities, within the IAIG, including significant associated risks". (2) The third bullet point should be amended to "the main supervisory regimes applicable to the IAIG".

128. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
129. American Property Casualty Insurance Association (APCI)	USA	No	As referenced previously, this guidance is too prescriptive and does not take into account the reality of the role of the IAIG Board in some large, internationally-active groups with many diverse subsidiary legal entities. We recommend making the following changes: - the key issues involving, and the IAIG's approach to, the risk management, compliance, audit, and actuarial functions.
130. Liberty Mutual Insurance Group	USA	No	This provision has many of the same shortcomings as those discussed in connection with ICP 5 by requiring a GWS to be able to dictate what skills and experiences should be reflected in the make-up of an IAIGs board of directors. Such authority is much too prescriptive and intrusive to be reconciled with current U.S. law.
131. MetLife, Inc	USA	No	We would suggest that the concept of materiality apply generally and in particular to Bullet 2, "the business of the legal entities within the IAIG, including associated risks;"
132. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive and we would recommend the following: "The group-wide supervisor requires that the collective competence of the IAIG Board includes an understanding of at least: - the group-wide corporate governance framework and corporate structure; - the activities of the key legal entities within the IAIG, including associated material risks; - the regulatory environment involving the primary supervisory regimes applicable to the IAIG; - the key issues that arise from cross-border business and international transactions; and - the key issues involving, and the IAIG's approach to, the risk management, compliance, audit, and actuarial functions."

133. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	While the IAIG Board should have collective competence and an understanding of the activities of the IAIG as a whole, the bullets with "the activities of the legal entities" and "the supervisory regimes" should include language such as "material" and "major requirements" (respectively) to be more commensurate with reasonable expectations.
Q16 Comment on ComFrame Guidance CF7.3a.1			
134. Insurance Europe	Europe	No	Insurance Europe would suggest the text is amended as follows: "The IAIG Board should be capable of understanding and describing the purpose, structure, strategy, material operations, and material risks of the IAIG, including those of material legal entities in other financial sectors and unregulated entities that are part of the group."
135. Global Federation of Insurance Associations	Global	No	The GFIA suggests an amendment to the text, to explicitly recognise the application of the overarching concept of proportionality: "The IAIG Board should be capable of understanding and describing the purpose, structure, strategy, material operations, and material risks of the IAIG, including those of material legal entities in other financial sectors and unregulated entities that are part of the group." GFIA would suggest that the concept of materiality should apply to the other legal entities within the group, as the IAIG could consist of hundreds of entities and the IAIG Board should not be expected to understand the risks associated with each of these entities, but should understand the risks impacting the "material" entities, with "material" being defined.
136. American Council of Life Insurers	Office of General Counsel	No	We would suggest that the concept of materiality should apply to the other legal entities within the group, as the IAIG could consist of hundreds of entities and the IAIG Board should not be expected to understand the risks associated with each of these entities but should understand the risks impacting the "material" entities, with "material" being defined.
138. Association of British Insurers	United Kingdom	No	The ABI proposes an amendment to the text, to explicitly recognise the application of the overarching concept of proportionality: "The IAIG Board should be capable of understanding and describing the purpose, structure, strategy, material operations, and material risks of the IAIG, including those of material legal entities in other financial sectors and unregulated entities that are part of the group".

139. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
140. American Property Casualty Insurance Association (APCI)	USA	No	Here again the CD presumes a role for the IAIG Board that does not reflect the reality of some large, internationally-active groups with many diverse subsidiary legal entities.
141. MetLife, Inc	USA	No	We would suggest that the concept of materiality should apply to the other legal entities within the group, as the IAIG could consist of hundreds of entities and the IAIG Board should not be expected to understand the risks associated with each of these entities, but should understand the risks impacting the "material" entities, with "material" being defined.
142. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.</p> <p>In the specific instance of this guidance, the IAIG could consist of hundreds of entities and the IAIG Board should not be expected to understand the risks associated with each of these entities, but should understand the risks impacting the "material" entities, with "material" being defined.</p>
Q17 Comment on ComFrame Standard CF7.3.b			
143. Insurance Europe	Europe	No	Insurance Europe agrees with the relevance of conflict of interest policies for IAIGs but would ask the IAIS to recognise materiality in this context, eg with the following wording: "...conflicts of interest that may materially adversely affect the IAIG as a whole or any of its legal entities."
144. Global Federation of Insurance Associations	Global	No	The GFIA suggests that a materiality requirement is added to this Standard as follows: "conflicts of interest that may materially adversely affect the IAIG as a whole or any of its legal entities".

146. Association of British Insurers	United Kingdom	No	The ABI proposes that a materiality requirement is added to this Standard as follows: "...conflicts of interest that may materially adversely affect the IAIG as a whole or any of its legal entities".
147. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
148. American Property Casualty Insurance Association (APCI)	USA	No	While we certainly support robust policies to identify and avoid conflicts of interest that may materially adversely affect the IAIG, this section remains overly prescriptive. Furthermore, it again ignores the reality of the role of the IAIG Board in some large, internationally-active groups with many diverse subsidiary legal entities. We would recommend the following: The group-wide supervisor requires the IAIG Board to ensure that the group-wide corporate governance framework includes policies and procedures to identify and avoid, or mitigate, conflicts of interest that may materially adversely affect the IAIG as a whole.
149. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive and we would recommend the following: "The group-wide supervisor requires the IAIG Board to ensure that the group-wide corporate governance framework includes policies and procedures to identify and avoid, or mitigate, conflicts of interest that may materially adversely affect the IAIG as a whole."
Q18 Comment on ComFrame Guidance CF7.3.b.1			
150. Insurance Europe	Europe	No	As per the comment on CF 7.3.b, a materiality threshold should be included. This Guidance should further recognise the benefits of cross-representation within decision-making bodies of the IAIG, and also the idea of group interest, acknowledging that directors of subsidiaries should be allowed to reasonably take the parent's interest into account without violating their fiduciary duties toward their subsidiary. Supervisory recognition of group interest, which provides enhanced flexibility for the management of groups especially on a cross-border basis, would provide directors with comfort when taking directions from the parent board.

151. German Insurance Association	Germany	No	We recommend referring to material conflicts of interest. We strongly believe that it is not always necessary to avoid conflicts of interest, but to deal with such conflicts, e.g. by way of mitigation.
152. Global Federation of Insurance Associations	Global	No	This section should be deleted because it is more editorial than guidance. In the alternative, GFIA suggests that this Guidance should also recognise the benefits of cross-representation within decision-making bodies of the IAIG, as well as the idea of group interest, acknowledging that directors of subsidiaries should be allowed to reasonably take the parent's interest into account without violating their fiduciary duties toward their subsidiary. Supervisory recognition of group interest, which provides enhanced flexibility for the management of groups especially on a cross-border basis, would provide directors with comfort when taking directions from the parent board. This section should be deleted since it is more editorial in nature, rather than guidance or a standard.
153. General Insurance Association of Japan	Japan	No	In a competitive environment, it is always possible that the same development could be positive for an entity but negative for another within the same group (for example, when both entities are engaged in a similar business in the same jurisdiction). However, such developments may not necessarily be negative for the group as a whole. Also, conflict of interest should be decided on a case by case basis. Even a case is included in the example, such case may not necessarily be a conflict of interest case depending on the situation. Therefore, we suggest deleting the sentence "For example..." in the second bullet point.
154. American Council of Life Insurers	Office of General Counsel	No	This section should be deleted since it is more editorial in nature, rather than guidance or a standard.
156. Association of British Insurers	United Kingdom	No	The ABI proposes that this Guidance also recognises the benefits of cross-representation within decision-making bodies of the IAIG, and also the idea of group interest, acknowledging that directors of subsidiaries should be allowed to reasonably take the parent's interest into account without violating their fiduciary duties toward their subsidiary. Supervisory recognition of group interest, which provides enhanced flexibility for the management of groups especially on a cross-border basis, would provide directors with comfort when taking directions from the parent Board.
158. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
159. American Property Casualty	USA	No	The guidance is not really guidance, just some examples of how conflicts could occur between group-level and legal entity level boards. We recommend that the text be moved from guidance under the CF7.3.b standard, and included instead as a footnote to the use of the term "conflict of interest" in that standard.

Insurance Association (APCI)			
160. Property Casualty Insurers Association of America (PCI)	USA	No	The guidance is not really guidance, just some examples of how conflicts could occur between group-level and legal entity level boards. We recommend that the text be moved from guidance under the CF7.3.b standard, and included instead as a footnote to the use of the term "conflict of interest" in that standard.
Q19 Comment on ComFrame Guidance CF7.3.b.2			
161. Insurance Europe	Europe	No	As per the comment on CF 7.3.b, a materiality threshold should be included. Insurance Europe further notes that not in all instances is it necessary to avoid conflicts of interest, but rather to deal with such conflicts, eg by way of mitigation.
162. Global Federation of Insurance Associations	Global	No	As per the comment on CF 7.3.b, a materiality threshold should be included. GFIA takes the view that not in all instances is it necessary to avoid conflicts of interest, but rather to deal with such conflicts, e.g. by way of mitigation. More nuanced language is required for this standard. As drafted, it suggests that a conflict will create a negative impact(s) while this will not be the case in every instance.
163. General Insurance Association of Japan	Japan	No	How conflict of interest is dealt with in the respective corporate laws vary among jurisdictions. It would lack flexibility to limit reporting solely to the Board, where reporting includes conflict of interest transactions by individuals and legal entities other than the Board. Reporting other than to the Board (such as superiors, the relevant department, or the relevant committee, etc.) should be allowed, if it was not transacted by the Board member.
165. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
166. Prudential Financial, Inc.	United States of America	No	We believe that where conflicts are appropriately mitigated in the opinion of management or a responsible management committee, they should not be required to be reported to the Board or IAIG Board, and accordingly disagree with the proposed changes which are likely to result in reporting of voluminous immaterial conflicts.
Q20 Comment on ComFrame Standard CF7.9.a			
167. Global Federation of	Global	No	GFIA welcomes the clarification as to who the reporting is to be provided to, and the reference to materiality. Again, confidentiality is critically important and should be referenced here or generally so it is clear that it especially applies here.

Insurance Associations			
168. AIA Group	Hong Kong	No	We agree that since the insurer's corporate governance framework is not expected to change significantly from time to time, the Board should only be asked to inform regulators of material changes to the corporate governance framework and/or material changes to the documents relating to the corporate governance framework.
170. Association of British Insurers	United Kingdom	No	The ABI welcomes the clarification as to whom the reporting is to be provided, and the reference to materiality.
171. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
172. American Property Casualty Insurance Association (APCI)	USA	No	We appreciate that this guidance applies only to "material" changes. Still, the specific requirements could be read to be too prescriptive rather than focused on specific outcomes.
173. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.
Q21 Comment on ComFrame Guidance CF7.9.a.1			
175. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
176. American Property Casualty	USA	No	AIA recommends the following changes to the text:

Insurance Association (APCI)			The group-wide systems and controls for communications should give the Head of the IAIG the ability to inform the group-wide supervisor of governance issues concerning the IAIG as a whole.
177. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive and we would recommend the following amendment:</p> <p>"The group-wide systems and controls for communications should give the Head of the IAIG the ability to inform the group-wide supervisor of governance issues concerning the IAIG as a whole."</p>
Q22 General Comment on ComFrame in ICP 8			
178. Insurance Europe	Europe	No	<p>The proposed revisions of ComFrame material related to ICP8 are generally welcome. However, the following concerns should be addressed:</p> <ul style="list-style-type: none"> - The granularity of the documentation of the group-wide risk management system and resources required should be proportionate to its purpose (ie to feed into the overall group risk management system and reveal risk concentrations and other relevant factors) (CF8.1.b). - Risk management training should be required for relevant staff only (CF8.1.c.1). - The frequency of the group-wide management system review should depend on the risk profile and changes of the structure/business strategy of the IAIG instead of an annual requirement (CF8.1.d). - Changes of the wording of CF8.2.b have been proposed to ensure that primary assurance surrounding internal controls are the responsibility of the business, but also open to review by Internal Audit Functions. - As it is the case for non-IAIGs, combinations of control functions for IAIGs should not be automatically excluded (CF8.3.c). It should also be clarified that it is not expected that a risk management function would be embedded in each legal entity. Further, the requirement of a separate risk management plan approved by the Board is overly prescriptive (CF8.4.a). - CF8.6.a should be reviewed to take into account the fact that the role of the actuarial function is to focus on actuarial

			<p>subjects. Similarly, the tasks of the internal audit are too prescriptive and exceed the usual scope of internal audit (eg fraud prevention and the assessment of the capacity of IT) (CF8.7.a).</p> <ul style="list-style-type: none"> - The principle of proportionality should be acknowledged in the provisions regarding outsourcing arrangements (CF 8.8.a & CF8.8.b). Specifically, IAIGs need additional simplifications regarding group internal outsourcing arrangements (CF8.8.b.1). <p>Reference is made to the comments provided in response to the IAIS' consultations of ICP 8 and related ComFrame material in June 2017 (https://www.iaisweb.org/page/consultations/closed-consultations/2017/revision-of-icps-and-comframe/file/72362/members-and-stakeholders-comments-on-comframe-integrated-in-icps-5-7-8), as well as in January 2018 (summarised in https://www.iaisweb.org/page/consultations/closed-consultations/2018/revision-icps-8-15-and-16/file/76036/summary-of-main-consultation-comments-on-comframe-in-icps-8-15-16).</p> <p>General comments on ICP 8:</p> <ul style="list-style-type: none"> - ICP 8.1.1 should focus on material risks. - ICP 8.1.2 continues to be overly prescriptive and unnecessary to achieve an increased convergence in risk management practices among insurers. The listed "risk appetite statement" would be an example - while identifying an insurer's risk appetite should form an integral part of an effective risk management system and would be reflected throughout a company's ERM system/ORSA/ALM/Investment policy, the format in which it is documented should not be mandated. <p>Furthermore, an element of materiality should be added throughout the text. Insurance Europe would for example suggest re-wording the following bullet point:</p> <p>"provide a documented process defining the Board approval required for significant deviations from the risk management strategy or the risk appetite and for settling any major interpretation issues that may arise;"</p> <ul style="list-style-type: none"> - On ICP 8.1.3 Insurance Europe continues to believe that listing conduct of business (separate from operational risk) as a risk to be at least covered by the risk management system has unwanted consequences for the supervision of some entities. Reference is made to the comments submitted in January this year. - It appears superfluous to mention "foreseeable" and "emerging" risks separately in ICP 8.1.5. - The requirement to notify supervisors of the reasons for dismissal of heads of control functions in ICP 8.3.5 is overly intrusive and does not serve any obvious supervisory objective. Supervisors will receive sufficient information / will have the opportunity to request additional information during the appointment process of a new control function, in accordance with ICP 5. Similarly, the provisions in ICPs 8.3.8 and 8.3.15 would be more appropriate in ICP 5. - On conflicts of interest, Insurance Europe supports the deletion of "for resolution" at the end of ICP 8.3.11. - ICPs 8.4.2 (access and reporting to the Board by the risk management function) and 8.4.3 (Board access and reporting of
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			<p>the risk management function) seem to cover the same issues. The IAIS should consider combining these provisions (as, for example, for the internal audit function in ICPs 8.7.5 and 8.7.6).</p> <ul style="list-style-type: none"> - The authority to require an insurer to replace its Appointed Actuary in ICP 8.6.12 should only be enforced in exceptional circumstances, after extensive dialogue with the insurer, and after all other measures available have been exhausted. - Given the ICPs' nature of minimum harmonisation, the last sentence in ICP 8.8.4 on additional local requirements on outsourcing to be considered by supervisors is redundant and should be deleted. - In ICP 8.8.5, the first bullet point constitutes a repetition of what is already required in ICP 8.8.3. The financial viability of a service provider (fourth bullet point) should further only have to be considered where appropriate/necessary (ie depending on the outsourced activities and relationship between the parties concerned). <p>On the group / IAIG-specific aspects of ICP 8, eg in ICP 8.0.6 and 8.0.7, the notion of "group interest" should be introduced and feature more prominently. Please refer to Insurance Europe's comments submitted on the Draft Application Paper on Group Corporate Governance in May 2017 (https://www.iaisweb.org/page/consultations/closed-consultations/2017/application-paper-on-group-corporate-governance/file/69941/resolution-of-comments-on-application-paper-on-group-corporate-governance).</p> <p>Insurance Europe appreciates the IAIS moving former CF 8.1.b.2 to ICP 8.1.9, however, the responsibility to undertake a risk assessment before entering into new business lines and products should:</p> <ul style="list-style-type: none"> - be limited to new business lines and materially new products, and - may in some instances be better placed with local entity boards of operating subsidiaries who manufacture products, rather than the head of the group which may in fact be a parent/holding company.
179. German Insurance Association	Germany	No	<p>ICP 8 continues to be overly prescriptive and not necessary to achieve an increased convergence in risk management practices across insurers. The listed "risk appetite statement" would be an example - while identifying an insurer's risk appetite should form an integral part of an effective risk management system and would be reflected throughout a company's ERM system/ORSA/ALM/Investment policy, the format in which it is documented should not be mandated.</p> <p>Furthermore, an element of materiality should be added throughout the text.</p>
180. Global Federation of Insurance Associations	Global	No	<p>ComFrame material in ICP 8 makes assumptions about the respective roles of internal control functions that are not always correct for every IAIG. Accordingly, the GFIA suggests amendments to some of the ComFrame Standards and Guidance to take account of the fact that not all IAIGs will be organised in the same way.</p> <p>On some of the specific ICPs:</p> <p>ICP 8.1.1 should focus on material risks.</p> <p>ICP 8.1.2 continues to be overly prescriptive and not necessary to achieve an increased convergence in risk management</p>

			<p>practices across insurers. The listed "risk appetite statement" would be an example - while identifying an insurer's risk appetite should form an integral part of an effective risk management system and would be reflected throughout a company's ERM system/ORSA/ALM/Investment policy, the format in which it is documented should not be mandated. Furthermore, an element of materiality should be added throughout the text. GFIA would for example suggest re-wording the following bullet point: "provide a documented process defining the Board approval required for significant deviations from the risk management strategy or the risk appetite and for settling any major interpretation issues that may arise;"</p> <p>On ICP 8.1.3 GFIA continues to take the view that listing conduct of business (separate from operational risk) as a risk to be at least covered by the risk management system has unwanted consequences for the supervision of some entities. Reference is made to the comments submitted in January this year.</p> <p>It appears superfluous to mention "foreseeable" and "emerging" risks separately in ICP 8.1.5.</p> <p>The requirement to notify supervisors of the reasons for dismissal of heads of control functions in ICP 8.3.5 is overly intrusive and does not serve any obvious supervisory objective. Supervisors will receive sufficient information / will have the opportunity to request additional information during the appointment process of a new control function, in accordance with ICP 5. Similarly, the provisions in ICPs 8.3.8 and 8.3.15 would be more appropriate in ICP 5.</p> <p>On conflicts of interest, GFIA supports the deletion of "for resolution" at the end of ICP 8.3.11.</p> <p>ICPs 8.4.2 (access and reporting to the Board by the risk management function) and 8.4.3 (Board access and reporting of the risk management function) seem to cover the same issues. The IAIS should consider combining these provisions (as, for example, for the internal audit function in ICPs 8.7.5 and 8.7.6).</p> <p>The authority to require an insurer to replace its Appointed Actuary in ICP 8.6.12 should only be enforced in exceptional circumstances, after extensive dialogue with the insurer, and after all other measures available have been exhausted. Given the ICPs' nature of minimum harmonisation, the last sentence in ICP 8.8.4 on additional local requirements on outsourcing to be considered by supervisors is redundant and should be deleted.</p> <p>In ICP 8.8.5, the first bullet point constitutes a repetition of what is already required in ICP 8.8.3. The financial viability of a service provider (fourth bullet point) should further only have to be considered where appropriate/necessary (i.e. depending on the outsourced activities and relationship between the parties concerned).</p> <p>On the group/IAIG-specific aspects of ICP 8, e.g. in ICP 8.0.6 and 8.0.7, the notion of "group interest" should be introduced and feature more prominently.</p> <p>GFIA appreciates the IAIS moving former CF 8.1b.2 to ICP 8.1.9, however, the responsibility to undertake a risk assessment before entering into new business lines and products: should be limited to new business lines and materially new products, and may in some instances be better placed with local entity boards of operating subsidiaries who manufacture products, rather than the head of the group which may in fact be a parent/holding company.</p>
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			<p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and GFIA reiterates here an overarching comment on the revised ComFrame in ICP section published for Consultation</p> <p>While the ComFrame Introduction Section 24 recognizes that governance models vary by jurisdiction, and that ComFrame therefore focusses on outcomes that models need to achieve, this focus is inconsistently reflected in specific ComFrame sections (and related ICPs) that continue to make recommendations that could be inconsistent with governance structures and legal requirements in jurisdictions around the world.</p> <p>An example is the assumed structure and role of the Board of Directors. Many jurisdictions follow the one-tier board model. Under this model (and perhaps others) the role of the board is essentially to assess and approve the overall direction and strategy of the business on recommendation and advice from senior management. Where this is the case, in addition to being responsible for the day-to-day operations of the business, senior management, not the Board of Directors, is responsible for developing business objectives and strategy, as well as executing on it. Therefore, guidance making the Board ultimately responsible for ensuring that the insurer has in place the effective systems of risk management and internal controls and functions to address key risks it faces (see ICP 8.0.1) is misplaced. GFIA would strongly recommend the IAIS consider rewording such guidance throughout the ICPs and ComFrame.</p> <p>GFIA would also re-emphasize additional general comments that pertain to ICP 8 as the basis for ComFrame 8.</p> <p>Lack of Reference to Globally Recognized Control Structures for Guidance as to Application of Principles of Proportionality and Absence of Concept of Materiality As mentioned in prior comments, while the concept of proportionality which is set out in Paragraph 9 of the ICP Introduction is implicit, the concept of materiality and reference to globally recognized control structures and industry standards are largely absent from the ICPs and related ComFrame sections. A further example where the addition of this concept would be important is ICP 8.1 Systems for risk management and internal controls where the term "material" used in the second bullet point is applicable to all following sub-sections (e.g., 8.1.1) where the term "material" is not used.</p> <p>Clarification of Unclear Terminology ICP 8.3.15 Recommends that "Higher expectations apply to the head of each control function". The purpose and interpretation of this sentence could be significantly misunderstood and/or misinterpreted and does not appear to be necessary. GFIA recommends removing the sentence.</p> <p>Board Role ICP 8.7.1 (Internal Audit Function) inappropriately recommends that oversight role of the Board include ensuring that the</p>
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			<p>information provided by Internal Audit allows the Board to "effectively validate the effectiveness of the internal control system". Board oversight does not incorporate this level of responsibility in all jurisdictions and ComFrame and the ICPs should account for such differences. GFIA would strongly recommend use of a term other than "validate" to describe the responsibility of the IAIG Board for the effectiveness of the internal control system.</p> <p>Main Activities of the Audit Function ICP 8.7.7. third bullet reviewing levels of compliance by employees, organisational units and third parties with laws, regulations and supervisory requirements, established policies, processes and controls, including those involving reporting; suggests that Internal Audit is required to perform substantive detail testing to evaluate compliance with laws, regulations and supervisory requirements. This would be inconsistent with objective governance models in place such as the three lines of defense framework. GFIA acknowledges the role of Internal Audit as the third line of defense and recommend the following alternative language: Evaluating the quality and effectiveness of internal controls relating to levels of compliance by employees, organisational units and third parties with laws, regulations and supervisory requirements, established policies, processes and controls, including those involving reporting.</p>
181. American Council of Life Insurers	Office of General Counsel	No	<p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and we reiterate here an overarching comment we have on the revised ComFrame in ICP section published for Consultation.</p> <p>While the ComFrame Introduction recognizes that governance models vary by jurisdiction, and that ComFrame therefore focusses on outcomes that models need to achieve, this focus is inconsistently reflected in specific ComFrame sections (and related ICPs) that continue to make recommendations that could be inconsistent with governance structures and legal requirements in jurisdictions around the world.</p> <p>An example is the assumed structure and role of the Board of Directors. Many jurisdictions follow the one-tier board model. Under this model (and perhaps others) the role of the board is essentially to assess and approve the overall direction and strategy of the business on recommendation and advice from senior management. Where this is the case, in addition to being responsible for the day-to-day operations of the business, senior management, not the Board of Directors, is responsible for developing business objectives and strategy, as well as executing on it. Therefore, guidance making the Board ultimately responsible for ensuring that the insurer has in place the effective systems of risk management and internal controls and functions to address key risks it faces (see ICP 8.0.1) is misplaced. We would strongly recommend the IAIS consider rewording such guidance throughout the ICPs and ComFrame.</p> <p>We would also re-emphasize additional general comments that pertain to ICP 8 as the basis for ComFrame 8.</p>

		<p>*Lack of Reference to Globally Recognized Control Structures for Guidance as to Application of Principles of Proportionality and Absence of Concept of Materiality*:</p> <p>As mentioned in our response to Q4, while implicit in the concept of proportionality which is set out in Paragraph 9 of the ICP Introduction, the concept of materiality and reference to globally recognized control structures and industry standards are largely absent from the ICPs and related ComFrame sections. A further example where the addition of this concept would be important is ICP 8.1 Systems for risk management and internal controls where the term "material" used in the second bullet point is applicable to all following sub-sections (e.g., 8.1.1) where the term "material" is not used.</p> <p>*Clarification of Unclear Terminology*:</p> <p>ICP 8.3.15 Recommends that "Higher expectations apply to the head of each control function". The purpose and interpretation of this sentence could be significantly misunderstood and/or misinterpreted and does not appear to be necessary. We recommend removing the sentence.</p> <p>*Board Role*:</p> <p>ICP 8.7.1 (Internal Audit Function) inappropriately recommends that oversight role of the Board include ensuring that the information provided by Internal Audit allows the Board to "effectively validate the effectiveness of the internal control system". Board oversight does not incorporate this level of responsibility in all jurisdictions and ComFrame and the ICPs should account for such differences. We would strongly recommend use of a term other than "validate" to describe the responsibility of the IAIG Board for the effectiveness of the internal control system.</p> <p>*Main Activities of the Audit Function*:</p> <p>ICP 8.7.7. third bullet ("reviewing levels of compliance by employees, organisational units and third parties with laws, regulations and supervisory requirements, established policies, processes and controls, including those involving reporting....") suggests that Internal Audit is required to perform substantive detail testing to evaluate compliance with laws, regulations and supervisory requirements. This would be inconsistent with objective governance models in place such as the three lines of defense framework. We acknowledge the role of Internal Audit as the third line of defense and recommend the following alternative language: "Evaluating the quality and effectiveness of internal controls relating to levels of</p>
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			compliance by employees, organisational units and third parties with laws, regulations and supervisory requirements, established policies, processes and controls, including those involving reporting."
183. Association of British Insurers	United Kingdom	No	ComFrame material in ICP 8 makes assumptions about the respective roles of internal control functions that are not always correct for every IAIG. Accordingly, the ABI suggests amendments to some of the ComFrame Standards and Guidance to take account of the fact that not all IAIGs will be organised in the same way.
185. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
186. Prudential Financial, Inc.	United States of America	No	We believe this section of ComFrame is significantly over prescriptive and place inappropriate emphasis on form over substance or outcomes that should be achieved. While we believe this comment is broadly applicable to the ComFrame, we find it especially relevant in sections pertaining to risk management.
187. Liberty Mutual Insurance Group	USA	No	We are commenting on the ComFrame provisions in ICP 8 because for the most part they are an exception to the criticism we have with much of the rest of ComFrame. These provisions are effectively outcome focused. They state a reasonable supervisory goal (e.g., that an IAIG should have a group wide risk management system that achieves certain objectives), but these provisions use express language whereby the GWS should merely "ensure" that the Head of the IAIG has met the objectives. These provisions do not dictate how the IAIG should accomplish such outcomes. The IAIS should redraft all of ComFrame expressing its provisions in this format.
188. MetLife, Inc	USA	No	<p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and we reiterate here an overarching comment we have on the revised ComFrame in ICP section published for Consultation</p> <p>While the ComFrame Introduction Section 24 recognizes that governance models vary by jurisdiction, and that ComFrame therefore focusses on outcomes that models need to achieve, this focus is inconsistently reflected in specific ComFrame sections (and related ICPs) that continue to make recommendations that could be inconsistent with governance structures and legal requirements in jurisdictions around the world.</p> <p>An example is the assumed structure and role of the Board of Directors. Many jurisdictions follow the one-tier board model. Under this model (and perhaps others) the role of the board is essentially to assess and approve the overall direction and strategy of the business on recommendation and advice from senior management. Where this is the case, in addition to being responsible for the day-to-day operations of the business, senior management, not the Board of Directors, is responsible for developing business objectives and strategy, as well as executing on it. Therefore guidance making the</p>

			<p>Board ultimately responsible for ensuring that the insurer has in place the effective systems of risk management and internal controls and functions to address key risks it faces (see ICP 8.0.1) is misplaced. We would strongly recommend the IAIS consider rewording such guidance throughout the ICPs and Comframe.</p> <p>We would also re-emphasize additional general comments that pertain to ICP 8 as the basis for ComFrame 8.</p> <p>Lack of Reference to Globally Recognized Control Structures for Guidance as to Application of Principles of Proportionality and Absence of Concept of Materiality</p> <p>As mentioned in our response to Q4, while implicit in the concept of proportionality which is set out in Paragraph 9 of the ICP Introduction, the concept of materiality and reference to globally recognized control structures and industry standards are largely absent from the ICPs and related ComFrame sections. A further example where the addition of this concept would be important is ICP 8.1 Systems for risk management and internal controls where the term "material" used in the second bullet point is applicable to all following sub-sections (e.g., 8.1.1) where the term "material" is not used.</p> <p>Clarification of Unclear Terminology ICP 8.3.15 Recommends that "Higher expectations apply to the head of each control function". The purpose and interpretation of this sentence could be significantly misunderstood and/or misinterpreted and does not appear to be necessary. We recommend removing the sentence.</p> <p>Board Role ICP 8.7.1 (Internal Audit Function) inappropriately recommends that oversight role of the Board include ensuring that the information provided by Internal Audit allows the Board to "effectively validate the effectiveness of the internal control system". Board oversight does not incorporate this level of responsibility in all jurisdictions and ComFrame and the ICPs should account for such differences. We would strongly recommend use of a term other than "validate" to describe the responsibility of the IAIG Board for the effectiveness of the internal control system.</p> <p>Main Activities of the Audit Function ICP 8.7.7. third bullet - reviewing levels of compliance by employees, organisational units and third parties with laws, regulations and supervisory requirements, established policies, processes and controls, including those involving reporting;</p> <p>suggests that Internal Audit is required to perform substantive detail testing to evaluate compliance with laws, regulations and supervisory requirements. This would be inconsistent with objective governance models in place such as the three lines of defense framework. We acknowledge the role of Internal Audit as the third line of defense and recommend the following</p>
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			<p>alternative language: - Evaluating the quality and effectiveness of internal controls relating to levels of compliance by employees, organisational units and third parties with laws, regulations and supervisory requirements, established policies, processes and controls, including those involving reporting.</p>
189. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	<p>While we agree that the general functions and policies outlined in the ComFrame material under ICP 8 should be subject to review and oversight by the Head of the IAIG, we are concerned that some of the standards and guidance require a centralized governance structure at the Head of the IAIG. In our experience, insurance groups can be effectively governed under decentralized approaches, whereby significant responsibility is delegated to legal entity and/or other intermediate holding company levels. Under such a decentralized model, material issues or concerns can still be communicated to the Head of the IAIG through an escalation process, but such a structure allows the concepts of proportionality and materiality to be more effectively exercised at a local level. In addition, such an approach allows the Head of the IAIG to focus on the more substantive group-wide issues that are brought to its attention, as opposed to using up valuable resources to develop a superstructure of functions and policies at a level above which such structures may be most relevant. While other recent IAIS work appears to recognize the variety of governance approaches insurance groups may have, this does not come across in some of the ComFrame material, which continues to assume a centralized approach for all IAIGs. See our comment and proposed solution related to paragraph 24 of the Introduction.</p>
Q23 Comment on ComFrame Standard CF8.1.a			
190. Insurance Europe	Europe	No	<p>Where CF text is adapted, these changes should also be mirrored in the respective ICP text, eg changing "at a minimum" to "at least" to avoid any misunderstanding in the implementation of the provisions.</p>
191. Global Federation of Insurance Associations	Global	No	<p>Where CF text is adapted, these changes should also be mirrored in the respective ICP text, e.g. changing "at a minimum" to "at least" to avoid any misunderstanding in the implementation of the provisions.</p>
192. General Insurance Association of Japan	Japan	No	<p>We are concerned that the description on the group-wide risk management system could be interpreted to indicate that strict documentation is required with regard to the items listed in this standard. In particular, it is not practical to require documentation of "laws and regulations of the jurisdictions where the IAIG operates". It is more appropriate to require establishment of a system that "considers" rather than "covers" these items.</p>
194. Association of British Insurers	United Kingdom	No	<p>Where ComFrame text is adapted, these changes should also be mirrored in the respective ICP text, e.g. changing "at a minimum" to "at least" to avoid any misunderstanding in the implementation of the provisions.</p>

195. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
196. Prudential Financial, Inc.	United States of America	No	ComFrame standards should focus on substance over form. In the case of this standard, the focus should be ensuring risk management is a seamless enterprise-wide process for an IAIG. The standard should not prescribe requirements for how legal entities are treated but instead call for them to be adequately integrated into the group-wide framework.
197. American Property Casualty Insurance Association (APCI)	USA	No	<p>A clear definition of the "Head of the IAIG" in the Glossary might be helpful to understanding the precise scope of this section.</p> <p>This section remains overly prescriptive and does not sufficiently take into account the differences between centralized and decentralized structures. We recommend the following:</p> <p>The group-wide supervisor requires the Head of the IAIG to ensure that the group-wide risk management system, whether centralized or to some extent decentralized with reporting to and monitoring at group level, encompasses the levels of the Head of the IAIG and legal entities within the IAIG and covers, at least, the:</p> <ul style="list-style-type: none"> - diversity and geographical reach of the key activities of the IAIG; - nature and degree of key risks of individual legal entities and business lines; - aggregation of key risks from the legal entities within the IAIG that arises at the level of the Head of the IAIG, including crossborder risks; - interconnectedness of the legal entities within the IAIG; - level of sophistication and functionality of information and reporting systems in addressing key group-wide risks; and - applicable laws and regulations of the jurisdictions where the IAIG operates.
198. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive and we recommend the following amendment:</p> <p>"The group-wide supervisor requires the Head of the IAIG to ensure that the group-wide risk management system, whether centralized or to some extent decentralized with reporting to and monitoring at group level, encompasses the levels of the Head of the IAIG and legal entities within the IAIG and covers, at least, the:</p>

			<ul style="list-style-type: none"> - diversity and geographical reach of the key activities of the IAIG; - nature and degree of key risks of individual legal entities and business lines; - aggregation of key risks from the legal entities within the IAIG, including crossborder risks; - interconnectedness of the legal entities within the IAIG; - level of sophistication and functionality of information and reporting systems in addressing key group-wide risks; and - applicable laws and regulations of the jurisdictions where the IAIG operates."
199. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	There should be some recognition of materiality within the expectations for addressing legal entity issues through the group-wide risk management function. For example, the group-wide risk management function should not be expected to ensure compliance with all applicable laws and regulations for every jurisdiction where the IAIG operates. Instead, the Head of the IAIG should be able to delegate responsibility for minor compliance issues to a legal entity risk management or compliance function. See our comments on paragraph 24 of the ComFrame Introduction.
Q24 Comment on ComFrame Guidance CF8.1.a.1			
200. Global Federation of Insurance Associations	Global	No	GFIA welcomes the removal of CF8.1b.2, which was too prescriptive, and applied too broadly.
202. Association of British Insurers	United Kingdom	No	The ABI welcomes the removal of CF8.1b.2, which was too prescriptive, and applied too broadly.
203. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

204. Prudential Financial, Inc.	United States of America	No	We recommend revising the final bullet within this point of guidance to read as follows - "measure the risk exposure of the IAIG against the risk limits on an on-going basis to identify and appropriately communicate potential concerns as early as possible."
205. American Property Casualty Insurance Association (APCI)	USA	No	<p>This section remains overly prescriptive and does not sufficiently take into account the differences between centralized and decentralized structures. We recommend the following:</p> <p>The group-wide risk management system should:</p> <ul style="list-style-type: none"> - be integrated with its organisational structure, decision-making processes, business operations, and risk culture; - be integrated within its legal entities or, in the case of an IAIG with decentralized functions, incorporate the risk exposures reported from legal entity-based risk management systems to group level; and - measure the risk exposure of the IAIG against the risk limits on an on-going basis in order to identify potential concerns as early as possible.
206. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive and we recommend the following amendment:</p> <p>"The group-wide risk management system should:</p> <ul style="list-style-type: none"> - be integrated with its organisational structure, decision-making processes, business operations, and risk culture; - be integrated within its legal entities or, in the case of an IAIG with decentralized functions, incorporate the risk exposures reported from legal entity-based risk management systems to group level; and - measure the risk exposure of the IAIG against the risk limits on an on-going basis in order to identify potential concerns as early as possible."
207. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	The risk management function at the Head of the IAIG may not need to be fully integrated with that of a legal entity, as long as there is some level of collaboration and communication to ensure that the functions do not conflict and that material risk exposures are communicated to the Head of the IAIG. Suggest developing additional guidance in this area to recognize that different approaches may be appropriate in this regard; additionally, see our comments on paragraph 24 of the ComFrame Introduction.

Q25 Comment on ComFrame Standard CF8.1.b			
208. Insurance Europe	Europe	No	The introduction of a materiality element here is much appreciated. Insurance Europe continues to advocate that the granularity of this documentation and resources required should be balanced according to the purpose it has (ie to feed into the overall group risk management system and reveal risk concentrations and other relevant factors).
209. Global Federation of Insurance Associations	Global	No	GFIA welcomes the removal of CF8.1a.1 and CF8.1a.2 which were overly-prescriptive. The introduction of a materiality element here is much appreciated. However, GFIA continues to advocate that the granularity of this documentation and resources required should be balanced according to the purpose it has (i.e. to feed into the overall group risk management system and reveal risk concentrations and other relevant factors).
211. Association of British Insurers	United Kingdom	No	The ABI welcomes the removal of CF8.1a.1 and CF8.1a.2 which were overly-prescriptive, and the introduction of a materiality element in CF8.1.b.
212. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
213. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.
Q26 Comment on ComFrame Standard CF8.1.c			
214. Institute of International Finance	Global	No	In ComFrame 8.1.c, the expression "sound risk culture" is used whereas, in ComFrame 8.1.c.1, the expression "appropriate risk culture" is used. We believe that the IAIS intends the same meaning in both references and, thus, should use the same language. [We would favour the use of the phrasing "appropriate risk culture," as this is more reflective of a risk-based approach.]
215. AIA Group	Hong Kong	No	We suggest rewording the language to "may include risk management training ..." so as not to be too prescriptive on what processes and procedures insurers should have to promote risk culture.

216. General Insurance Association of Japan	Japan	No	We think there are various ways to promote a sound risk culture, taking into account the differences in the business environment surrounding the entities within the group, their business size, etc. Therefore, requiring a uniform procedure may inhibit diverse efforts. We suggest to either delete "procedures" or revising the standard for example as follows: "The group-wide supervisor requires the Head of the IAIG to promote a sound risk culture".
218. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
219. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.
Q27 Comment on ComFrame Guidance CF8.1.c.1			
220. Insurance Europe	Europe	No	Insurance Europe would like to clarify that risk management training may not necessarily be relevant to all staff. Insurance Europe also suggests clarifying what is meant by the "issue of independence" mentioned in this Guidance. The following slight re-wording is further proposed in relation to the prescribed content for processes and procedures: "Processes and procedures for promoting an appropriate risk culture should include risk management training, address the segregation of duties and create appropriate incentives for relevant staff."
221. Global Federation of Insurance Associations	Global	No	The GFIA suggests clarifying what is meant by the "issue of independence" mentioned in this Guidance. GFIA recommends that the wording is amended as follows: "Processes and procedures for promoting an appropriate risk culture should include risk management training, address the segregation of duties and create appropriate incentives for staff". The phrase "segregation of duties" refers in particular to the risk-management second line being independent of the risk-taking first line. Clarification of the "issue of independence" should make this explicit. Also, the requirement for training is too prescriptive.
222. General Insurance	Japan	No	In line with our proposed revision on DF 8.1.c., we suggest revising "Processes and procedures for promoting an appropriate risk culture..." to "Policies for promoting a sound risk culture...". We think there are various ways to promote a sound risk culture, taking into account the differences in the business

Association of Japan			environment surrounding the entities within the group, their business size, etc. Therefore, "in line with the nature, size and complexity" should be added at the end of the sentence. Further, from the diversity perspective mentioned above, reference to risk management training, addressing the issue of independence, and creating appropriate incentives for staff should be referred to as an example. We suggest revising the guidance for example as follows: " Processes and procedures for promoting an appropriate risk culture may include for example risk management training, address the issue of independence, and create appropriate incentives for staff".
224. Association of British Insurers	United Kingdom	No	The ABI proposes clarifying what is meant by the "issue of independence" mentioned in this Guidance. It is important to make explicit that the (risk management) second line is independent of the (risk taking) first line. We recommend that the wording is amended as follows: "Processes and procedures for promoting an appropriate risk culture should include risk management training, address the segregation of duties (e.g. between the first and second line) and create appropriate incentives for staff".
225. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q28 Comment on ComFrame Guidance CF8.1.c.2			
227. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
228. Prudential Financial, Inc.	United States of America	No	We recommend revising this point of guidance to read as follows - "The IAIG's risk culture should support open communication and early evaluation of emerging risks that may be significant to the IAIG and its legal entities."
229. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without an sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.
Q29 Comment on ComFrame Standard CF8.1.d			

230. Insurance Europe	Europe	No	The frequency of the review should not be annually but should depend on the risk profile and be reactive to material changes of the structure/business strategy of the IAIG. If the IAIS deems it necessary to establish a minimum frequency (in addition to the condition of material changes), it should be every 5 years instead of every year.
231. German Insurance Association	Germany	No	The frequency of the review should not be annually but periodically and should depend on the risk profile and be reactive to material changes of the structure/business strategy of the IAIG.
233. Global Federation of Insurance Associations	Global	No	The frequency of the review should not be annually but instead be periodically and should depend on the risk profile and be reactive to material changes of the structure/business strategy of the IAIG
234. AIA Group	Hong Kong	No	We suggest changing the frequency of review from "at least annually" to "regularly" to remain principle based on the requirement. This would allow insurers to determine the frequency of review that is appropriate for the particular insurer.
235. General Insurance Association of Japan	Japan	No	The IAIG's group-wide risk management system should be examined through ORSA and reviewed when necessary. Therefore, we suggest revising the first bullet point as follows: "review, on a regular basis, the group-wide risk management system ...".
237. Association of British Insurers	United Kingdom	No	The frequency of the review should not be annually, but periodically depending on the risk profile of the IAIG. It should be reactive to changes in the structure/business strategy of the IAIG.
238. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
239. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.
Q30 Comment on ComFrame Guidance CF8.1.d.1			

240. Insurance Europe	Europe	No	This provision should be limited to material changes only. The changes proposed are welcome.
241. Global Federation of Insurance Associations	Global	No	This provision should be limited to material changes only. The changes proposed are welcome.
242. AIA Group	Hong Kong	No	We suggest restricting the assessments on changes in legal entities to "material changes" so that the Head of IAIG would not be overly burdened on assessing all changes in legal entities.
244. Association of British Insurers	United Kingdom	No	This provision should be limited to material changes only.
245. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
246. American Property Casualty Insurance Association (APCI)	USA	No	<p>This section remains overly prescriptive. We recommend the following changes:</p> <p>The Head of the IAIG should have policies and procedures in place to provide for monitoring of key changes occurring in one or more legal entities and to assess the impact on the IAIG's risk profile overall, because the impact on a group-wide basis may not otherwise be immediately apparent.</p>
247. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive and we recommend the following amendment:</p> <p>"The Head of the IAIG should have policies and procedures in place to provide for monitoring of key changes occurring in one or more legal entities and to assess the impact on the IAIG's risk profile overall, because the impact on a group-wide basis may not otherwise be immediately apparent.</p>

Q31 Comment on ComFrame Guidance CF8.1.d.2			
249. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
250. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.
Q32 Comment on ComFrame Standard CF8.2.a			
251. Insurance Europe	Europe	No	Insurance Europe would suggest that bullet points two and three are not uniquely applicable to IAIGs but would just as well be important for non-IAIGs.
252. Global Federation of Insurance Associations	Global	No	Clarification should be provided as to who or what is the "Head of the IAIG" in the context of this Standard.
253. General Insurance Association of Japan	Japan	No	The "ComFrame Introduction" stipulates "IAIGs have different models of governance (i.e. more centralised or more decentralised). ComFrame does not favour any particular governance model." Therefore, we understand that ComFrame acknowledges decentralised governance models. Against such premise, we think this part is too detailed to be a standard. Therefore, the items listed in this standard should be realigned and presented as guidance. Even if the list is dealt with in guidance, we are still concerned that this part could be interpreted to indicate that strict documentation is required with regard to the items listed. In particular, it is not practical to require documentation of "laws and regulations of the jurisdictions where the IAIG operates". It is also not clear which laws and regulations are subject to this requirement. Therefore, it is more appropriate to require establishment of a system that "considers" rather than "covers" these items.
255. Swiss Re	Switzerland	No	The standard describes which factors are to be covered at the minimum and controls are clear if they refer to specific risks that they address. Therefore, we would like to reiterate our prior feedback that CF8.2.a could be strengthened by referring to specific risks in scope of the control systems mentioned (e.g. operational risk).

256. Association of British Insurers	United Kingdom	No	Clarification should be provided as to who or what is the "Head of the IAIG" in the context of this Standard. Bullet points two and three are not uniquely applicable to IAIGs, but would be important for non-IAIGs as well.
257. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
258. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	There should be some recognition of materiality within the expectation that the group-wide internal controls system covers at least the applicable laws and regulations of the jurisdictions where the IAIG operates. There could be a lot of jurisdictions with varying laws and regulations that may be difficult to cover 100% through a group-wide system of internal controls.
Q33 Comment on ComFrame Standard CF8.2.b			
259. Insurance Europe	Europe	No	It is unclear why the requirement for periodic/annual testing and assessments is at Standard level for IAIG but can only be found at Guidance level for non-IAIGs (last bullet point in ICP 8.2.4). Primary assurance surrounding internal controls should be the responsibility of the business, but also open to review by Internal Audit Functions, in line with their audit planning approach. Therefore, Insurance Europe recommends that the wording of CF8.2.b should be adjusted as follows: "The group-wide supervisor requires the Head of the IAIG to review at least annually the effectiveness of the IAIG's risk management and internal controls system and report the results to the IAIG Board and Senior Management".
260. German Insurance Association	Germany	No	An annual testing and assessment of the whole IAIG internal control system is not adequate as it includes all processes within the IAIG. The frequencies at which reviews of certain internal controls take place are necessarily risk-based. An independent assessment of the adequacy and effectiveness of the internal control system is the main task of the internal audit functions and should be in line with their risk-based audit planning approach according to the multi-year plan.
261. Global Federation of Insurance Associations	Global	No	GFIA welcomes the changes to this Standard clarifying the role of the Head of the IAIG. However, it remains unclear what "internal controls systems" extends to. GFIA welcomes the clarification of the term "independent objective party" that was previously used in this Standard.

			<p>GFIA considers that primary assurance surrounding internal controls should be the responsibility of the business, but also open to review by Internal Audit Functions, in line with their audit planning approach.</p> <p>Therefore, GFIA recommends that the wording of CF8.2. b should be adjusted as follows:</p> <p>"The group-wide supervisor requires the Head of the IAIG to review at least annually the effectiveness of the IAIG's risk management and internal controls system and report the results the IAIG Board and Senior Management."</p> <p>GFIA would suggest that references to annual assessments and/or testing should be replaced with guidance to the effect that assessment and testing should be required "periodically as deemed necessary by the group-wide supervisor, but no more frequent than annually."</p>
262. AIA Group	Hong Kong	No	We suggest changing the frequency of testing and assessments from "annual" to "regular" to remain principle based. This would allow insurers to determine the frequency of assessment that is appropriate for the particular insurer.
263. General Insurance Association of Japan	Japan	No	<p>We have no objection with the requirement on the IAIGs to have an internal controls system in place. However, flexibility should be allowed with regard to coherence, completeness and effectiveness of such system, in line with the legal requirements of the jurisdiction.</p> <p>Periodic assessment carried out by objective parties should be carried out only with regard to the effectiveness assessment of Internal Controls over Financial Reporting taking the current state of local regulations into account. It should also be made clear that materiality principle applies.</p>
264. American Council of Life Insurers	Office of General Counsel	No	ComFrame suggests an overall assertion and annual testing and assessments over the totality of the internal control system. We would suggest that references to annual assessments and/or testing should be replaced with guidance to the effect that assessment and testing should be required "periodically as deemed necessary by the group-wide supervisor."
266. Association of British Insurers	United Kingdom	No	<p>The ABI considers that primary assurance surrounding internal controls should be the responsibility of the business, but also open to review by the Internal Audit Function, in line with their audit planning approach. Therefore, we recommend that the wording of CF8.2.b should be adjusted as follows:</p> <p>"The group-wide supervisor requires the Head of the IAIG to review at least annually the effectiveness of the IAIG's risk management and internal controls system and report the results to the IAIG Board and Senior Management".</p>

267. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
268. MetLife, Inc	USA	No	ComFrame suggests an overall assertion and annual testing and assessments over the totality of the internal control system. We would suggest that references to annually assessments and/or testing should be replaced with guidance to the effect that assessment and testing should be required "periodically as deemed necessary by the group-wide supervisor."
269. Property Casualty Insurers Association of America (PCI)	USA	No	<p>This language suggests annual testing and assessments over the totality of an IAIG's internal control system. We believe an annual requirement is unreasonable, especially with respect to large and complicated IAIGs. We would suggest that this requirement be replaced with guidance to the effect that assessment and testing should be required "periodically as deemed necessary by the group-wide supervisor."</p> <p>Conversely, some jurisdictions (such as the United States) have implemented federal laws and regulations which require listed firms to annually test and report on internal controls, accompanied by an external auditor's report. ComFrame should be explicit that groups complying with such a regime should be considered to comply with this standard.</p>
Q34 Comment on ComFrame Standard CF8.3.a			
270. Insurance Europe	Europe	No	The second bullet point in CF 8.3.a is redundant as it will naturally be in the IAIG's own interest to avoid inefficiencies, also regarding its control functions. This does therefore not need to form the core of the supervisors' attention.
271. Global Federation of Insurance Associations	Global	No	GFIA fails to see how the IAIG could ensure that there is no "duplication" of control function activities (as per the 2nd bullet) nor does GFIA see why potential instances of duplication is necessarily a negative.
272. International Actuarial Association	International	No	While ICP 8.3 states that control functions need to have the "necessary authority, independence and resources" to fulfill their roles, the first bullet of CF 8.3. simply requires the group-wide control functions to be "clearly defined" while the second bullet requires that they "do not duplicate, limit or restrict the tasks and responsibilities of control functions at the insurance legal entity level." In combination, these bullets seem weaker than the underlying ICP 8.3. Surely this is not the intent?
274. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q35 Comment on ComFrame Standard CF8.3.b			

275. International Actuarial Association	International	No	It may be more appropriate if the second bullet was altered to state "are effective in their group-wide responsibilities".
277. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q36 Comment on ComFrame Standard CF8.3.c			
278. Insurance Europe	Europe	No	<p>Given that the IAIS acknowledges that structures of an IAIG's governance framework may vary and no one solution should be given preference (ie centralised vs decentralised), it is unclear why the first bullet point in CF8.3.c would automatically exclude any combination of control functions for IAIGs. The IAIS furthermore explicitly acknowledges that certain control functions may be combined in non-IAIGs (ICP 8.3.10).</p> <p>In relation to the second bullet point, internal audit functions are likely to have a mandate to review all aspects of an insurer's internal controls in line with their audit plan, the frequency at which reviews of control functions take place will necessarily be risk-based. Insurers may also therefore have other measures to assess their effectiveness on a more frequent basis. In this respect the reference to internal audit and external parties in CF 8.3.c seems unnecessary, and therefore Insurance Europe would propose that the second bullet point under CF8.3.c is amended as follows:</p> <p>"are subject to periodic review as to their effectiveness"</p>
279. German Insurance Association	Germany	No	Given that the IAIS acknowledges that structures of an IAIG's governance framework may vary and no one solution should be given preference (i.e. centralised vs decentralised), it is unclear why the first bullet point in CF 8.3.c would automatically exclude any combination of control functions. According to CF 7.3.b IAIG have to take measures to avoid, or mitigate, conflicts of interests anyway. GDV recommends deleting this requirement.
281. Global Federation of Insurance Associations	Global	No	<p>Bullet point one, which states that the IAIG is not to combine control functions, should be amended to address the particular concern of the IAIS, as it is neither uncommon nor inappropriate for risk and compliance functions to be combined or to overlap.</p> <p>"ComFrame in ICPs 5, 7, 8, 9, 10, 12 and 25 and ICP 10.3: Responses to Comments received during 3 March. 1 June 2017 Consultation" published by IAIS in March this year shows the following interpretation about the first bullet point, which states that the group-wide supervisor requires the IAIG Board to ensure that the group-wide control functions are not combined.</p>

			<p>"The prohibition of combination applies to the Key Person in Control Function as well as the staff supporting a control function. As regards the staff, relevant employees can work in the same unit, but one person should not be responsible for supporting two or more function, in order to avoid combination of those functions."</p> <p>However, this seems to be contradictory to paras 8.3.10 and 8.3.11. According to these paragraphs, a combination of certain control functions seems possible, as long as potential conflicts of interest are avoided, and check and balance is ensured.</p> <p>Therefore, the first bullet should be amended as follows: "are not combined if there are potential conflict of interest".</p> <p>GFIA notes that there is no outright ban on combining control functions under Guideline M2E2-8-1-2. In relation to the second bullet point, internal audit functions are likely to have a mandate to review all aspects of an insurer's internal controls in line with their audit plan. The frequency at which reviews of control functions take place will necessarily be risk based. Insurers may also therefore have other measures to assess their effectiveness on a more frequent basis. In this respect, the reference to internal audit and external parties in CF 8.3.c seems unnecessary, and therefore GFIA would propose that the second bullet point under CF8.3.c is amended as follows: "are subject to periodic review as to their effectiveness."</p>
282. Institute of International Finance	Global	No	<p>"Responses to Comments received during 3 March to 1 June 2017 Consultation" shows the following interpretation on first bullet point at CF8.3.c.</p> <p>"The prohibition of combination applies to the Key Person in Control Function as well as the staff supporting a control function. As regards the staff, relevant employees can work in the same unit, but one person should not be responsible for supporting two or more function, in order to avoid combination of those functions."</p> <p>However, this seems to be contradictory to ICP8.3.10 and 8.3.11. According to these paragraphs, a combination of certain control functions seems possible, as long as potential conflicts of interest are avoided and check and balance is ensured. Therefore, the first bullet should be amended as follows "are not combined if there are potential conflicts of interest."</p>
283. AIA Group	Hong Kong	No	<p>These requirements should be applied in relation to the nature, scale and complexity of the insurance group. In particular, with respect to non-material non-insurance entities, strict compliance that IAIG control functions for such an entity not be combined may not be necessary if there is an alternative mechanism that would address any material risk to the IAIG.</p>
284. General Insurance	Japan	No	<p>With regard to the reference on "are not combined", in order to make clear what is meant by this reference, we propose to add as a guidance the following sentences which was presented by the IAIS in March 2018 as part of the resolution of the</p>

Association of Japan			consultation on ICP 8 conducted in November 2017: "The prohibition of combination should apply to the Key Person in Control Function as well as the staff supporting a control function. As regards the staff, relevant employees could work in the same unit, but one person should not be responsible for supporting two or more function, in order to avoid combination of those functions".
285. The Life Insurance Association of Japan	Japan	No	<p>"ComFrame in ICPs 5, 7, 8, 9, 10, 12 and 25 and ICP 10.3: Responses to Comments received during 3 March . 1 June 2017 Consultation" published by IAIS in March this year shows the following interpretation about the first bullet point, which states that the group-wide supervisor requires the IAIG Board to ensure that the group-wide control functions are not combined.</p> <p>"The prohibition of combination applies to the Key Person in Control Function as well as the staff supporting a control function. As regards the staff, relevant employees can work in the same unit, but one person should not be responsible for supporting two or more function, in order to avoid combination of those functions."</p> <p>However, this seems to be contradictory to the words "serve as a component of the insurer's checks and balances "in ICP 8.3.10 and the concept from the words "Each control function should avoid conflicts of interest" in ICP 8.3.11. According to these paragraphs, this standard that can be read comprehensively as "all functions should not be combined" seems to expand the scope unnecessarily. Therefore, the first bullet should be amended as follows " are not combined if there are potential conflict of interest."</p>
286. American Council of Life Insurers	Office of General Counsel	No	The group-wide supervisor should have the discretion to determine if it is appropriate to combine control functions for non-material, low-impact risks.
288. Association of British Insurers	United Kingdom	No	<p>Bullet point one, which states that the IAIG is not to combine control functions, should be amended to address the particular concern of the IAIS, as it is not uncommon or inappropriate for risk and compliance functions to be combined or to overlap.</p> <p>The ABI notes that there is no outright ban on combining control functions under Guideline M2E2-8-1-2, and that the ICP explicitly acknowledges that certain control functions may be combined in non-IAIGs (ICP 8.3.10).</p> <p>In relation to the second bullet point on periodic review, internal audit functions are likely to have a mandate to review all aspects of an insurer's internal controls in line with their audit plan; the frequency with which reviews of control functions take place will necessarily be risk based. Insurers may also therefore have other measures to assess their effectiveness on a more frequent basis. In this respect, the reference to internal audit and external parties in CF8.3.c seems unnecessary. We would propose that the second bullet point under CF8.3.c is amended as follows:</p>

			"are subject to periodic review as to their effectiveness".
289. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q37 Comment on ComFrame Standard CF8.4.a			
290. Canadian Institute of Actuaries	Canada	No	The CIA recommends that paragraph CF 8.4.b be added to paragraph CF 8.4.a.
291. Insurance Europe	Europe	No	This Standard should clarify that it is not expected that there needs to be a risk management function embedded in each legal entity. It is unclear what the IAIS expects the annual group-wide risk management plan (bullet point six) to entail. Insurance Europe would generally support the deletion of this bullet point. The IAIS should acknowledge that how insurers organise functional responsibilities may vary between firms and while functional planning is appropriate it should not be assumed that there should be a separate risk management plan, neither should it be an explicit requirements that the board should approve such a plan.
292. German Insurance Association	Germany	No	It is not clear what the IAIS expects the annual group-wide risk management plan (bullet point 6) to entail. GDV recommends deleting this bullet point.
294. Global Federation of Insurance Associations	Global	No	There should be an element of materiality embedded in this standard.
295. Institute of International Finance	Global	No	In ComFrame 8.4.a, the expression "group-wide risk management function" is used whereas, in ComFrame 8.4.b, the expression "IAIG risk management function" is used. [We prefer the latter formulation, as it reflects that the risk management function in a complex insurance group may not be the same across all of the group's operations.]
296. AIA Group	Hong Kong	No	The requirement for consistent implementation should take into consideration the applicability of local regulations. As such, we suggest to add wording of "where appropriate" to recognise this. In regards to setting policies and procedures, policies may not be necessary between intragroup entities and as such, we suggest removing the word "policies". Thirdly, the

			assessment of risk at a legal entity or material business line level could be delegated to a legal entity and as such, we suggest adding the words "or review assessment of risk conducted by legal entities where appropriate".
297. General Insurance Association of Japan	Japan	No	<p>The "ComFrame Introduction" stipulates "IAIGs have different models of governance (i.e. more centralised or more decentralised). ComFrame does not favour any particular governance model." Therefore, we understand that ComFrame acknowledges decentralised governance models.</p> <p>Against such premise, we think this part is too detailed to be a standard. Therefore, the items listed in this standard should be realigned and presented as guidance.</p> <p>As mentioned in our comment in the last consultation, it is overly burdensome for the Head of an IAIG to ensure that the IAIG makes "at least quarterly" risk management reports. IAIGs operate with a long-term view. An IAIG's underwriting and investment strategies which affect an IAIG's risk profile and portfolio are developed on a yearly basis. Both insurance liabilities and asset management apply time dispersion. Therefore, the affect of strategy change manifest slowly. It can be said that the risk management reports are provided in a sufficiently timely manner if they are provided annually. Therefore, "at least quarterly" in the last bullet point should be revised "at least annually".</p>
299. Association of British Insurers	United Kingdom	No	<p>This Standard should clarify that it is not expected that there needs to be a risk management function embedded in each legal entity.</p> <p>In addition, the sixth bullet point (requiring an annual group-wide risk management plan) should be deleted. The IAIS should acknowledge that the ways insurers organise functional responsibilities may vary between firms. While functional planning is appropriate, it should not be assumed that there should be a separate risk management plan, neither should it be an explicit requirement that the Board should approve such a plan.</p>
300. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
301. American Property Casualty Insurance Association (APCI)	USA	No	<p>This section remains overly prescriptive. We recommend the following changes to the fifth bullet:</p> <ul style="list-style-type: none"> - conducts an assessment of risks at the group-wide level, and either conducts the assessment, or monitors assessments conducted by legal entities at its direction, at legal entity and material business line level;
302. Property Casualty	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts

Insurers Association of America (PCI)			described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive, and we recommend at least the following change to the fifth bullet: "- conducts an assessment of risks at the group-wide level, and either conducts the assessment, or monitors assessments conducted by legal entities at its direction, at legal entity and material business line level;"
Q38 Comment on ComFrame Standard CF8.4.b			
303. Canadian Institute of Actuaries	Canada	No	The CIA recommends that this paragraph be included in paragraph CF 8.4.a.
305. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q39 Comment on ComFrame Standard CF8.5.a			
306. Insurance Europe	Europe	No	Insurance Europe welcomes the amendments removing obligations which are not typically those of the compliance function, and the removal of the requirement for the Board to approve the compliance plan. However, the reference to legal obligations in the second and third bullet points should be removed as well. While the compliance function will be necessarily concerned with the regulatory obligations, broadening its scope to also include all legal obligations would detract from its core purpose in terms of compliance with financial services-related rules and guidance. Broader legal obligations are better addressed by an IAIG's legal function and should not therefore be allocated to the compliance function.
307. German Insurance Association	Germany	No	GDV welcomes the amendments to the bullet points to remove obligations which are not typically those of the compliance function, and the removal of the requirement for the Board to approve the compliance plan. However, the provision of at least quarterly written reports on its activities to the IAIG's Board or one of its committees is not adequate. We recommend re-amending the bullet in periodic (at least annual) reports.

309. Global Federation of Insurance Associations	Global	No	<p>GFIA welcomes the amendments to the bullet points to remove obligations which are not those of the compliance function, and the removal of the requirement for the Board to approve the compliance plan.</p> <p>However, GFIA suggests that the reference to legal obligations in the second and third bullet points should be removed or be made more conditional on jurisdictional and company practice. While the compliance function will be necessarily concerned with the regulatory obligations, broadening its scope to also include all legal obligations would detract from its core purpose in terms of compliance with financial services-related rules and guidance. Broader legal obligations are better addressed by an IAIG's legal function and should not therefore be allocated to the compliance function.</p>
310. AIA Group	Hong Kong	No	We appreciate that the written reports may be made to the Board or Board Committee.
311. General Insurance Association of Japan	Japan	No	The last bullet point stipulates that the group-wide compliance function "provides at least quarterly written reports on its activities". As mentioned in our comment in the last consultation, more decentralised Control Functions should also be allowed. It is overly prescriptive to require the group-wide compliance function to provide "at least quarterly" written reports on its activities. Therefore, we suggest revising "at least quarterly" to "regularly", for example.
313. Swiss Re	Switzerland	No	We suggest that IAIS use the term "compliance framework" in place of "compliance plan".
314. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the amendments to the bullet points to remove obligations which are not those of the compliance function, and the removal of the requirement for the Board to approve the compliance plan.</p> <p>However, the ABI proposes that the reference to legal obligations in the second and third bullet points should be removed. While the compliance function will be necessarily concerned with regulatory obligations, broadening its scope to also include all legal obligations would detract from its core purpose in terms of compliance with financial services-related rules and guidance. Broader legal obligations are better addressed by an IAIG's legal function, and should not therefore be allocated to the compliance function.</p>
315. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
316. Prudential Financial, Inc.	United States of America	No	We believe the fourth bullet within the standard should be reworded to read as follows so it more specifically addresses relevant responsibilities for the compliance function - "supports the IAIG Board in fostering an effective culture of compliance with laws, regulations and supervisory requirements throughout the IAIG;"

			In addition, we believe the shift from "periodic" to "provides at least quarterly" in the final bullet results in an overly prescriptive standard. The focus of ComFrame should be on ensuring the IAIG's Board or one of its Committees are notified of activities when warranted versus creating static recurring deliverables that may not be meaningful. We recommend either reverting to "periodic" or changing "quarterly" to "annually" to align with other elements of the standard.
317. American Property Casualty Insurance Association (APCI)	USA	No	This section remains overly prescriptive, and fails to reflect the statement that ComFrame "does not favour any particular governance model and instead focuses on the outcomes that the governance model needs to achieve"
318. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.
319. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	We question the need for and value of requiring a prescriptive, group-wide compliance function to monitor ALL compliance mechanisms and activities across all levels of the company. Regulatory compliance requirements vary extensively across jurisdictions and are likely difficult (if not impossible) to aggregate at a group level. Suggest revising this standard to allow additional flexibility in delegating responsibilities and recognizing materiality considerations
Q40 Comment on ComFrame Standard CF8.6.a			
320. China Banking and Insurance Regulatory Commission (CBIRC)	China	No	The ComFrame requires an ORSA for insurance groups in many sections. The regulation system can be different in various jurisdictions and there can be other forms of risk management requirements which can essentially achieve the same goal as ORSA. For example, in China we developed SARMRA (Solvency Aligned Risk Management Requirements Assessment) and IRR (Integrated Risk Rating) in C-ROSS, which not only cover the insurance group's own assessment, but also supervisory assessment and ratings. Such requirements suits the emerging market better because the supervisory assessment and guidance provides much more effective incentive for insurers to improve their risk management capabilities. Thus we suggest that the ComFrame should cover in the text other forms of supervisory requirements that have an essentially equivalent role of ORSA.

321. Insurance Authority (IA)	China, Hong Kong	No	Suggest to amend the second-last bullet point as "The adequacy of the IAIG's reinsurance arrangements including, but not limited to, catastrophic coverage" to stress the importance of catastrophic reinsurance
322. Insurance Europe	Europe	No	<p>Insurance Europe still considers that Standard CF8.6a (and similarly ICP 8.6.4) as currently drafted does not adequately reflect the actuarial function's role in assessing the appropriateness of methodologies and assumptions used in the calculation of capital requirements and technical provisions. There furthermore appears to be an overlap with proposed Standard CF 16.7e (please refer to comments provided there).</p> <p>Insurance Europe highlights that the actuarial function should focus on actuarial issues (technical provisions, underwriting policy, reinsurance arrangements) and should not per se be responsible for too many other issues (overall solvency, risk-management, etc.).</p> <p>Insurance Europe would recommend the following changes:</p> <p>Amend the first and third bullet points to require a specific focus on the calculations, as follows:</p> <p>"the appropriateness of methodologies and underlying models and controls relevant to govern the activities of the group-wide actuarial function or finance condition;" and</p> <p>"the reliability of the calculation of the IAIG's solvency position, assessing the methodology and assumptions used in the calculations of group-wide regulatory capital requirements and technical provisions;"</p> <p>The fourth bullet point should be deleted entirely, as it is the role of the actuarial function to ensure the appropriateness of methodologies used in the calculation of the IAIG's financial condition. Stress and scenario testing will be a function of risk management rather than the actuarial function.</p> <p>The final bullet point should be amended to recognise that responsibility for the ORSA is primarily a risk management function, although the actuarial function will contribute:</p> <p>"to the effective implementation of the IAIG's Own Risk and Solvency Assessment (ORSA) and use of internal models."</p>
323. German Insurance Association	Germany	No	GDV highlights that the actuarial function has to focus on actuarial issues (technical provisions, underwriting policy, reinsurance arrangements) and should not be responsible for other issues. Overall solvency, risk-management and stress tests are main tasks of the risk management function. The actuarial function may support in certain actuarial aspects.
324. Global Federation of	Global	No	While GFIA welcomes the amendments to the bullet points in this standard, they still do not reflect the actuarial function's role in assessing the appropriateness of methodologies and assumptions used in the calculation of capital requirements and

<p>Insurance Associations</p>		<p>technical provisions. GFIA recommends the following changes:</p> <p>Amend the first and third bullet points to require a specific focus on the calculations, as follows: the appropriateness of methodologies and underlying models and controls relevant to govern the activities of the group-wide actuarial function or finance condition;' and "the reliability of the calculation of the IAIG's solvency position, assessing the methodology and assumptions used in the calculations of group-wide regulatory capital requirements and technical provisions;"</p> <p>The fourth bullet point should be deleted entirely, as it is the role of the actuarial function to ensure the appropriateness of methodologies used in the calculation of the IAIG's financial condition. Stress and scenario testing will be a function of risk management rather than the actuarial function.</p> <p>The final bullet point should be amended to recognise that responsibility for the ORSA should be primarily a risk management function, although the actuarial function will contribute: "contribute to the effective implementation of the IAIG's Own Risk and Solvency Assessment (ORSA) and use of internal models." GFIA agrees that the current and prospective solvency position of an insurance entity should be monitored but this monitoring is not always an actuarial function as there are many components that factor into an entity's solvency. As this is the case GFIA recommends rewording the introduction to the third and fourth bullets within CF 8.6a as follows: The actuarial components of the IAIG's solvency position The actuarial components of the IAIG's prospective solvency position</p> <p>The phrase "adequacy of the IAIG's reinsurance arrangements" as used in the fifth bullet is very broad and GFIA is of the view that it overlaps with the requirements to review the actuarial portion of an IAIG's solvency position. GFIA suggests removing this bullet.</p> <p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and comments GFIA submitted in 2017 have not been taken into account, GFIA reiterates the following concerns with ICP 8.6</p> <p>Our observations on ComFrame's assumption of the scope of the actuarial function also apply to the related ICPs which, as the basis for ComFrame, should be adjusted as follows:</p> <ol style="list-style-type: none"> 1. ICP 8.6 should remove "capital adequacy" from the requirements 2. ICP 8.6.2 bullet 4 should be removed 3. ICP 8.6.4 bullet 2 should remove the "and capital requirements, as well as other obligations or activities" portion of the bullet
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			<p>4. ICP 8.6.4 bullet 3 should remove "and the valuation of assets" portion of the bullet</p> <p>5. ICP 8.6.4 bullet 4 and bullet 5 should be reworded so that the actuarial function is only reviewing the actuarial portion of the insurer's current and prospective solvency position</p> <p>6. ICP 8.6.4 bullet 6 should remove the "or the financial condition of the insurer" portion of the bullet</p> <p>7. ICP 8.6.4 bullet 12 should remove the "or financial projections, or for solvency" portion of the bullet</p> <p>8. ICP 8.6.4 bullet 13 should remove the "or financial matters" portion of the bullet.</p> <p>In addition, ICP 8.6.12 should be removed in its entirety. The phrase "adequately perform" is open to interpretation and could lead the Appointed Actuary to be unable to adequately perform the duties of their position when regulators take positions that the Appointed Actuary may disagree with.</p>
325. AIA Group	Hong Kong	No	We suggest rewording "requires the Head of the IAIG to provide an overview of the group-wide actuarial activities..." as the overview could be provided by functions other than the actuarial function, and some of these activities does not necessarily have to be performed by the actuarial function.
326. International Actuarial Association	International	No	<p>The IAA agrees with the ComFrame text as to the importance and responsibilities of the group-wide actuarial function. Lack of common actuarial practice among the entities that are part of an IAIG can result in poor or improper decisions by the Head of the IAIG. The following are some specific comments on each bullet:</p> <p>Bullet 1: Suggest that the words "or financial condition" should be deleted here since this topic is addressed subsequently. Also suggest that the terms "financial position", "financial condition" and "future financial condition" be clearly defined/used to avoid confusion of meaning.</p> <p>Bullet 2: Replace "at one" with "for any".</p> <p>Bullet 4: Is "prospective solvency position" the same as "future financial condition"? If so, it is suggested that common terminology be used throughout. Perhaps ORSA should be given as an example of such work to which the AF would contribute.</p> <p>Bullet 6: This point might be just as effective using just the first 4 words.</p>
327. General Insurance Association of Japan	Japan	No	<p>We understand that the phrase "actuarial activities, functions and risk" indicate "actuarial activities, actuarial functions and actuarial risks".</p> <p>If we understand correctly, clarification is necessary that that the plural form "actuarial functions" is premised on decentralised Control Functions.</p> <p>The "ComFrame Introduction" stipulates "IAIGs have different models of governance (i.e. more centralised or more</p>

			<p>decentralised). ComFrame does not favour any particular governance model." Therefore, we understand that ComFrame acknowledges decentralised governance models.</p> <p>Against such premise, we think this part is too detailed to be a standard. Therefore, the items listed in this standard should be realigned and presented as guidance.</p> <p>It is common in Japan that an insurer's actuarial function is fulfilled collectively by several divisions, and we recognise that such practices do not entail problems. Therefore, the ComFrame should clearly state that it acknowledges such practices. In particular, detailed requirements on the operations of an IAIG's actuarial function will increase the burden of the Head of the IAIG. Therefore, clarification is necessary that that, with regard to the IAIG's actuarial function, responses based on materiality and simplifications are allowed. We would also like to note that the application of the materiality principle should be clarified for other functions as well.</p>
328. American Council of Life Insurers	Office of General Counsel	No	<p>We agree that the current and prospective solvency position of an insurance entity should be monitored but this monitoring is not always an actuarial function as there are many components that factor into an entity's solvency. As this is the case we recommend rewording the introduction to the third and fourth bullets within CF 8.6a as follows:</p> <ul style="list-style-type: none"> - The actuarial components of the IAIG's solvency position ... - The actuarial components of the IAIG's prospective solvency position ... <p>The phrase "adequacy of the IAIG's reinsurance arrangements" as used in the fifth bullet is very broad and we believe it overlaps with the requirements to review the actuarial portion of an IAIG's solvency position. We suggest removing this bullet.</p> <p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and comments we submitted in 2017 have not been taken into account, we reiterate the following concerns with ICP 8.6.</p> <p>Our observations on ComFrame's assumption of the scope of the actuarial function also apply to the related ICPs which, as the basis for ComFrame, should be adjusted as follows:</p> <ol style="list-style-type: none"> 1. ICP 8.6 should remove "capital adequacy" from the requirements 2. ICP 8.6.2 bullet 4 should be removed 3. ICP 8.6.4 bullet 2 should remove the "and capital requirements, as well as other obligations or activities" portion of the

			<p>bullet</p> <p>4. ICP 8.6.4 bullet 3 should remove "and the valuation of assets" portion of the bullet</p> <p>5. ICP 8.6.4 bullet 4 and bullet 5 should be reworded so that the actuarial function is only reviewing the actuarial portion of the insurer's current and prospective solvency position</p> <p>6. ICP 8.6.4 bullet 6 should remove the "or the financial condition of the insurer" portion of the bullet</p> <p>7. ICP 8.6.4 bullet 12 should remove the "or financial projections, or for solvency" portion of the bullet</p> <p>8. ICP 8.6.4 bullet 13 should remove the "or financial matters" portion of the bullet.</p> <p>In addition, ICP 8.6.12 should be removed in its entirety. The phrase "adequately perform" is open to interpretation and could lead the Appointed Actuary to be unable to adequately perform the duties of their position when regulators take positions that the Appointed Actuary may disagree with.</p>
330. Swiss Re	Switzerland	No	<p>Bullet point 4 (Assessing the IAIG's prospective solvency position...), is a component of enterprise risk management and is not necessarily carried out by the actuarial function. Such an analysis requires the input of various functions, including, but not limited to, the finance function. Thus, we would appreciate it if by rephrasing the Standard this bullet point would lose its prescriptive character designating the analysis to the actuarial function only. In a similar vein, a separate unit, not necessarily the actuarial function may cover risk modelling (last bullet point).</p> <p>Therefore, we suggest changing the second sentence of the Standard CF 8.6.a as underlined and to add a third one:</p> <p>"The group-wide supervisor requires the Head of the IAIG to ensure that the group-wide actuarial function provides an overview of the group-wide actuarial activities, functions and risks emanating from insurance legal entities within the IAIG. This overview includes, at least the aspects mentioned in the bullet points below. Where appropriate, other group-wide functions shall assume the responsibility of providing the information required."</p>
331. Association of British Insurers	United Kingdom	No	<p>In the chapeau of this Standard, it is unclear whether the overview is to be provided by the actuarial function for the purposes of the IAIG or for the supervisor.</p> <p>While the ABI welcomes the amendments to the bullet points in this standard, they still do not reflect the actuarial function's role in assessing the appropriateness of methodologies and assumptions used in the calculation of capital requirements and</p>

			<p>technical provisions. We recommend the following changes:</p> <p>(1) Amend the first and third bullet points to require a specific focus on the calculations, as follows:</p> <p>"the appropriateness of methodologies and underlying models and controls relevant to govern the activities of the group-wide actuarial function or finance condition"; and</p> <p>"the reliability of the calculation of the IAIG's solvency position, assessing the methodology and assumptions used in the calculations of group-wide regulatory capital requirements and technical provisions".</p> <p>(2) The final bullet point should be amended to recognise that responsibility for the ORSA and internal models should be primarily a risk management function, although the actuarial function will contribute:</p> <p>"contribute to the effective implementation of the IAIG's Own Risk and Solvency Assessment (ORSA) and use of internal models".</p>
332. American Academy of Actuaries	United States of America	No	<p>While it is appropriate to distinguish between the actuarial and risk management functions in a group, an overly prescriptive approach in delineating the functions is likely inappropriate. Insurance groups have diverse products and risk profiles, and the risk management practices at each firm has varied focuses and emphases. Whereas one group might be concerned with financial market risk, another might be more concerned with underwriting or claims risk. Therefore, certain tasks such as the determination of solvency positions, capital requirements, or adequacy assessments of reinsurance arrangements might be done by actuaries, risk-management professionals, or other professionals. We suggest discretion be given to the group to enable them to best decide which group of professionals is best equipped to carry out those functions depending on its risk profile, reporting structure, and available employee resources.</p>
333. Cincinnati Insurance Company	United States of America	No	<p>See answer to Q1.</p>
334. Prudential Financial, Inc.	United States of America	No	<p>As a general remark, we believe it is appropriate maintain separation in key control functions and their respective responsibilities. In its current form, ComFrame assigns responsibility for numerous functions which we believe are more relevant to and appropriately carried out by the risk management function. While we do not disagree with the importance of providing the group-wide supervisor insight into the various elements within this section of ComFrame, we do believe many elements are misguided in their assignment to the actuarial function. Examples include:</p> <p>+ Risk management policies and controls such as those around financial condition of the IAIG are beyond the scope of the actuarial function;</p>

			<p>+ Development and delivery of an overview of the IAIGs solvency position (current or prospective) is beyond the scope of the actuarial function, which would only provide select inputs into this broader deliverable;</p> <p>+ Performance of risk modelling included within the IAIG's ORSA; this example should be limited to the actuarial function's use of internal models</p> <p>In addition, we note that the second bullet should be rewritten to read as follows - "actuarial concerns within the insurance legal entities within the IAIG, or the IAIG as a whole, as applicable"</p>
335. American Property Casualty Insurance Association (APCI)	USA	No	This section remains overly prescriptive, and fails to reflect the statement that ComFrame "does not favour any particular governance model and instead focuses on the outcomes that the governance model needs to achieve"
336. MetLife, Inc	USA	No	<p>We agree that the current and prospective solvency position of an insurance entity should be monitored but this monitoring is not always an actuarial function as there are many components that factor into an entity's solvency. As this is the case we recommend rewording the introduction to the third and fourth bullets within CF 8.6a as follows:</p> <ul style="list-style-type: none"> o The actuarial components of the IAIG's solvency position ... o The actuarial components of the IAIG's prospective solvency position ... <p>The phrase "adequacy of the IAIG's reinsurance arrangements" as used in the fifth bullet is very broad and we believe it overlaps with the requirements to review the actuarial portion of an IAIG's solvency position. We suggest removing this bullet.</p> <p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and comments we submitted in 2017 have not been taken into account, we reiterate the following concerns with ICP 8.6</p> <p>"Our observations on ComFrame's assumption of the scope of the actuarial function also apply to the related ICPs which, as the basis for ComFrame, should be adjusted as follows:</p> <ol style="list-style-type: none"> 1. ICP 8.6 should remove "capital adequacy" from the requirements 2. ICP 8.6.2 bullet 4 should be removed 3. ICP 8.6.4 bullet 2 should remove the "and capital requirements, as well as other obligations or activities" portion of the bullet

			<p>4. ICP 8.6.4 bullet 3 should remove "and the valuation of assets" portion of the bullet</p> <p>5. ICP 8.6.4 bullet 4 and bullet 5 should be reworded so that the actuarial function is only reviewing the actuarial portion of the insurer's current and prospective solvency position</p> <p>6. ICP 8.6.4 bullet 6 should remove the "or the financial condition of the insurer" portion of the bullet</p> <p>7. ICP 8.6.4 bullet 12 should remove the "or financial projections, or for solvency" portion of the bullet</p> <p>8. ICP 8.6.4 bullet 13 should remove the "or financial matters" portion of the bullet.</p> <p>In addition, ICP 8.6.12 should be removed in its entirety. The phrase "adequately perform" is open to interpretation and could lead the Appointed Actuary to be unable to adequately perform the duties of their position when regulators take positions that the Appointed Actuary may disagree with.</p>
337. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.</p> <p>Furthermore, we agree that the current and prospective solvency position of an insurance entity should be monitored but this monitoring is not always an actuarial function as there are many components that factor into an entity's solvency. As this is the case we recommend rewording the introduction to the third and fourth bullets within CF 8.6a as follows:</p> <p>"The actuarial components of the IAIG's solvency position ...</p> <p>The actuarial components of the IAIG's prospective solvency position ... "</p> <p>The phrase "adequacy of the IAIG's reinsurance arrangements" as used in the fifth bullet is very broad and we believe it overlaps with the requirements to review the actuarial portion of an IAIG's solvency position. We suggest removing this bullet.</p>
Q41 Comment on ComFrame Standard CF8.6.b			
338. Global Federation of Insurance Associations	Global	No	<p>This standard seems to be described on the premise of a more centralized governance model on the review of actuarial information by the IAIGs actuarial function in cooperation with the actuarial function at the insurance legal entity level. To recognize that IAIGs have different models of governance including the more decentralized model, the first bullet should be</p>

			amended as follows: "works with the actuarial functions at the insurance legal entity level to review actuarial information in accordance with its significance."
339. International Actuarial Association	International	No	The IAA suggests that the first bullet (i.e., "works with.....to review") is quite weak. Much stronger statements on the role of the group-wide AF appear in CF 16.7.d & e.
340. General Insurance Association of Japan	Japan	No	We suggest revising "insurance activities" in the first bullet point to "actuarial activities" to make it consistent with CF 8.6.a, which describes that the group-wide actuarial function provides an overview of the group-wide actuarial activities.
341. The Life Insurance Association of Japan	Japan	No	This standard seems to be described on the premise of more centralized governance model on the review of actuarial information by the IAIGs actuarial function in cooperation with the actuarial function at the insurance legal entity level. To ensure that IAIGs have different models of governance including the more decentralized model, the first bullet should be amended as follows: "works with the actuarial functions at the insurance legal entity level to review actuarial information in accordance with its significance."
343. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
344. Prudential Financial, Inc.	United States of America	No	The text in the second bullet should be modified to better align with Board reporting related text for other control functions. We recommend rewording the second bullet within the standard to read as follows - "provides at least annual reports to the IAIG Board or one of its committees on its activities and actuarial related matters." In its current form, we find the reference to "independent advice" unclear and further, that the broad concept of reporting on "risks posed to the IAIG" is more appropriate addressed by the risk management function (CF 8.4.a).
345. American Property Casualty Insurance Association (APCI)	USA	No	This section remains overly prescriptive, and fails to reflect the statement that ComFrame "does not favour any particular governance model and instead focuses on the outcomes that the governance model needs to achieve"

346. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.
Q42 Comment on ComFrame Standard CF8.7.a			
347. Insurance Europe	Europe	No	The tasks of the internal audit are too prescriptive, eg fraud prevention (second bullet point) is often assigned to the area of compliance and the assessment of the capacity of IT is not usually the task of the audit. Insurance Europe would therefore suggest that the bullet points in this Standard be amended to better reflect the focus of internal audit on processes and controls. The tasks explicitly listed for the internal audit function should be limited to those relevant for the governance system, especially the assessment of the adequacy and effectiveness of the internal control system.
348. German Insurance Association	Germany	No	The tasks of the internal audit are too prescriptive, e.g. fraud prevention (second bullet point) is often assigned to the area of compliance and the assessment of the capacity of IT is not usually the task of the audit. GDV would therefore recommend that the bullet points in this Standard be amended to better reflect the focus of internal audit, especially the assessment of the adequacy and effectiveness of the processes and the internal control system. In addition it should be stated clearly that the internal audit fulfils its task risk-oriented according to a multiyear planning.
350. Global Federation of Insurance Associations	Global	No	The GFIA suggests that the bullet points in this Standard be amended to better reflect the focus of internal audit on processes and controls. For example, fraud prevention (second bullet point) is often a task of the compliance function. GFIA further questions the granularity of the reference to the way the IAIG "preserves its assets and those of policyholders".
351. AIA Group	Hong Kong	No	We suggest this requirement is overly prescriptive and the nature, scale and complexity of the IAIG should be taken into consideration in applying the assessment to be conducted by the internal audit function. In practice, it may be difficult for internal audit as the sole function to assess and provide assurance on all of these matters.
352. General Insurance Association of Japan	Japan	No	It would be excessive for the group-wide internal audit function to provide items listed in this standard as a minimum requirement. Clarification is necessary that these items are merely an example. For example, accounting audit are not necessarily conducted by the internal audit function but rather by the external auditing firm from an independent perspective. Auditing firm may also provide assessments and guarantees. Also, themes and issues that require audit may be different among entities from a risk-based perspective. Therefore, as

			mentioned in the beginning, it is excessive to require the internal audit function as the minimum requirement to conduct audit on the items listed in this standard.
353. American Council of Life Insurers	Office of General Counsel	No	As currently written, this requirement is overly prescriptive and so broad that It may be extremely challenging for an internal auditor to provide a competent assessment over every function listed in the bullets. For example, an internal audit function is unlikely to be the most capable function for assessing and assuring the "capacity and adaptability" of IT architecture. We recommend modifying the bullets to eliminate any overly prescriptive mandates that are addressed elsewhere.
355. Association of British Insurers	United Kingdom	No	The ABI suggests that the bullet points in this Standard be amended to better reflect the focus of internal audit on processes and controls. For example, fraud prevention (second bullet point) is often a task of the compliance function, and we question the granularity of the reference to the way the IAIG "preserves its assets and those of policyholders".
356. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
357. American Property Casualty Insurance Association (APCI)	USA	No	This section remains overly prescriptive, and fails to reflect the statement that ComFrame "does not favour any particular governance model and instead focuses on the outcomes that the governance model needs to achieve" We would recommend that the text be stated more generally in terms of the overall audit function (internal and external) inasmuch as firms differ as to the allocation of some audit-related tasks between internal and external auditors.
358. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive. We would recommend that the text be stated more generally in terms of the overall audit function (internal and external) inasmuch as firms differ as to the allocation of some audit-related tasks between internal and external auditors.
Q43 Comment on ComFrame Guidance CF8.7.a.1			
359. Insurance Europe	Europe	No	This Guidance should also recognise that the internal audit function will take a risk-based approach in the performance of its activities.

360. Global Federation of Insurance Associations	Global	No	This Guidance should recognise that the internal audit function will take a risk-based approach in the performance of its activities.
362. Association of British Insurers	United Kingdom	No	This Guidance should recognise that the internal audit function will take a risk-based approach in the performance of its activities.
363. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
364. American Property Casualty Insurance Association (APCI)	USA	No	This section remains overly prescriptive, and fails to reflect the statement that ComFrame "does not favour any particular governance model and instead focuses on the outcomes that the governance model needs to achieve".
365. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, and as stated, the text remains overly prescriptive.
Q44 Comment on ComFrame Standard CF8.8.a			
366. Insurance Europe	Europe	No	The use of the word "material" in these bullet points does not go far enough to incorporate the overarching concept of proportionality, and ensure a proportionate application of this requirement. A large IAIG may have a significant number of outsourcing arrangements that would fall under the term "outsourcing of any material group-wide activity or function". Insurance Europe suggests that this Standard be drafted explicitly allow for an appropriate risk-based application.
367. Global Federation of	Global	No	GFIA considers that the use of the word "material" in these bullet points does not go far enough to incorporate the overarching concept of proportionality and ensure a proportionate application of this requirement. A large IAIG may have a

Insurance Associations			significant number of outsourcing arrangements that would fall under the term "outsourcing of any material group-wide activity or function." GFIA suggests that this Standard be drafted in a way to better accommodate a risk-based application.
368. Institute of International Finance	Global	No	The first bullet under 8.8a, even with the reference to "material", is far too broad in scope to be practicable. A large IAIG potentially has hundreds of outsourcing arrangements. The language "outsourcing of any material group-wide activity or function" needs to be re-drafted so that it captures well-recognized risk-based concepts in order to manage these risks.
369. American Council of Life Insurers	Office of General Counsel	No	The first bullet under 8.8a, even with the reference to "material", is far too broad in scope to be practicable. A large IAIG potentially has hundreds of outsourcing arrangements. The language "outsourcing of any material group-wide activity or function" needs to be re-drafted so that it captures key risk-based concepts (e.g., Federal Reserve expectations regarding outsourcing).
371. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
372. Liberty Mutual Insurance Group	USA	No	This provision is not consistent with our otherwise favorable reaction to CF 8.0 because it lapses into the IAIS's prescriptive approach by dictating that IAIGs must have a particular system in place to manage outsourced activities. This is exactly the sort of activity that should not be micro-managed by supervisors, and instead left to the discretion of management to ensure that certain broad regulatory outcomes are achieved.
Q45 Comment on ComFrame Standard CF8.8.b			
373. Insurance Europe	Europe	No	Insurance Europe would suggest that these provisions apply to non-IAIGs just as well. However, it is all the more important that the depth, and the formality, of the assessments and due diligence contemplated in the three bullet points be proportionate to the complexity and the importance of the particular outsourcing arrangement, the reputation and standing of the potential service provider and how familiar the insurer is with the potential service provider.
374. Global Federation of Insurance Associations	Global	No	The GFIA suggests that this Standard be amended to take a more risk-based approach, to better incorporate the overarching concept of proportionality. GFIA considers that the depth, and the formality, of the assessments and due diligence contemplated in the three bullet points should be proportionate to the complexity and the importance of the particular outsourcing arrangement; the reputation and standing of the potential service provider; and how familiar the insurer is with the potential service provider. GFIA welcomes the amendment broadening bullet point three.

375. Institute of International Finance	Global	No	We urge the IAIS to revise CF 8.8b. The standard, as currently drafted, lacks vital nuances around the importance of taking a risk-based approach in the management of risks associated with an IAIG's outsourcing arrangements.
377. Association of British Insurers	United Kingdom	No	<p>The ABI suggests that this Standard be amended to take a more risk-based approach, to better incorporate the overarching concept of proportionality. We consider that the depth, and the formality, of the assessments and due diligence contemplated in the three bullet points should be proportionate to the complexity and the importance of the particular outsourcing arrangement; the reputation and standing of the potential service provider; and how familiar the insurer is with the potential service provider.</p> <p>The ABI welcomes the amendment broadening bullet point three.</p>
378. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
379. Prudential Financial, Inc.	United States of America	No	We believe the addition of "(either internal or external)" is unnecessary as this point is sufficiently covered in CF 8.8.b.1. Further, the reference is inconsistently applied throughout CF 8.8. To address this inconsistency, we recommend transitioning CF 8.8.b.1 to CF 8.8.d and broadening the point to cover the range of items within CF 8.8 - "Activities or functions may be outsourced to an internal service provider (i.e. a legal entity which is part of the IAIG) or an external service provider. In the case of an internal service provider, the assessment and due diligence process may be different from the case of an external service provider but should still be robust."
Q46 Comment on ComFrame Guidance CF8.8.b.1			
380. Insurance Europe	Europe	No	IAIGs need additional simplifications regarding group internal outsourcing arrangements, in particular with respect to the minimum contents of service agreements, control rights, etc.
381. German Insurance Association	Germany	No	GDV welcome the amendment that in case of group internal outsourcing the assessment and due diligence process may be different according to the lower risk compared to an external outsourcing. We see the need for additional simplifications for group internal outsourcings, in particular with respect to the minimum contents of service agreements, control rights etc.
384. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q47 Comment on ComFrame Standard CF8.8.c			

385. Global Federation of Insurance Associations	Global	No	GFIA suggests this Standard be further amended to take a risk-based approach.
387. Association of British Insurers	United Kingdom	No	The ABI suggests this Standard be further amended to take a risk-based approach.
388. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q48 Comment on ComFrame Standard CF8.8.d			
389. Global Federation of Insurance Associations	Global	No	GFIA welcomes the removal of the word "all" from this Standard. GFIA highlights that it needs to be assured that reviewing outsourced activities should be in accordance with their materiality and significance.
390. Institute of International Finance	Global	No	For a large IAIG with potentially hundreds of third party providers, reviewing the cumulative risks of all outsourcing arrangements would be a misguided exercise. Further, there can be significant numbers of "material" (i.e., large dollar value) outsourcing arrangements but they needn't necessarily pose a significant risk to the company. We urge the IAIS to apply a risk-based approach to this standard as is already the accepted practice at the jurisdictional level.
391. General Insurance Association of Japan	Japan	No	While we welcome the deletion of "all", we are still concerned of the requirement "to carry out a periodic review of the cumulative risks of all outsourced activities and functions", which would be an excessive requirement. Therefore, "material" should be added before "outsourced activities".
392. The Life Insurance Association of Japan	Japan	No	We welcome the removal of the word "all" from this Standard. We would like to assure that reviewing outsourced activities is in accordance with its significance.

393. American Council of Life Insurers	Office of General Counsel	No	For a large IAIG with potentially hundreds of third party providers, reviewing the cumulative risks of all outsourcing arrangements would be a misguided exercise. Further, there can be significant numbers of "material" (i.e., large dollar value) outsourcing arrangements but they needn't necessarily pose a significant risk to the company. A risk-based approach therefore needs to be embedded in the standard.
395. Association of British Insurers	United Kingdom	No	The ABI welcomes the removal of the word "all" from this Standard.
396. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

ComFrame in ICPs 9 and 10

Organisation	Jurisdiction	Confidential	Answer
Q1 General Comment on ComFrame in ICP 9			
1. Association of Bermuda Insurers and Reinsurers	Bermuda	No	<p>The Association of Bermuda Insurers and Reinsurers ("ABIR") represents the public policy interests of Bermuda's international insurers and reinsurers that protect consumers around the world. ABIR kindly thanks the International Association of Insurance Supervisors ("IAIS") for the opportunity to comment on the Draft overall ComFrame.</p> <p>Overall, ABIR supports the IAIS in the revisions to ComFrame, with a few caveats in the areas of confidentiality and peer analysis noted below.</p> <p>ABIR respectfully requests that in the process of conducting an analysis of IAIG's peers, caution should be taken to ensure the right peers are identified for an IAIG as in some instances, depending on what question is being answered, an IAIG's peer could be different under different scenarios. Groups are structured differently which usually results in no one suitable group of peers. Groups should be carefully assessed and not penalized due to structural differences.</p>
2. Insurance Europe	Europe	No	<p>Insurance Europe generally supports the ComFrame material related to ICP 9 and the proposed revisions. Insurance Europe highlights the following:</p> <ul style="list-style-type: none"> - information sharing between the group-wide and other relevant supervisors should be subject to confidentiality requirements. - a two-year frequency for a macro-prudential stress test is sufficient. - to ensure that a proportional approach is taken that focuses on understanding any dependencies between regulated and unregulated entities, Insurance Europe proposed some amendments to Guidance CF9.2.b.6. <p>Insurance Europe acknowledges there may be value in supervisors undertaking peer-group analysis. However, Guidance should deter supervisors from using inappropriate comparators when undertaking peer-group analysis. Unnecessary harmonisation of risk management should be avoided and peer-group analysis should not be an opportunity for supervisors to impose uniform risk assessments and business models.</p> <p>Insurance Europe highlights that revisions to the text of ICP 9 are needed. Reference is made to the comments provided in response to the IAIS' consultations of ICP 9 from June 2017 (https://www.iaisweb.org/page/consultations/closed-consultations/2017/revision-of-icps-and-comframe/file/69930/icp-9-resolution-of-public-consultation-comments-stakeholders).</p>

			In particular with regard to guidance 9.6.5, Insurance Europe notes that such inspections may lead to high costs and confidentiality issues, and therefore Insurance Europe suggests removing this guidance "9.6.5 The supervisor may use independent experts (see ICP 2 Supervisor) to conduct part of an on-site inspection, for instance when additional resources or specific expertise is needed."
3. German Insurance Association	Germany	No	Information sharing between the group-wide and other relevant supervisors must be subject to confidentiality requirements, and this Guidance should make this clear. Inputs should only be used for the proper purpose of supervision by the group-wide supervisor.
4. Global Federation of Insurance Associations	Global	No	As a general matter, GFIA strongly recommends that the ComFrame materials relating to ICP 9 serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. Moreover, the ICPs and ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks.
5. Institute of International Finance	Global	No	As a general matter, we strongly recommend that ICP/ComFrame 9 sections serve as illustrative guidance, rather than prescriptive standards to allow for a wide range of effective supervisory approaches and regulatory frameworks. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks. For example, in some jurisdictions, the group-wide supervisor may not have the authority over the external auditor.
8. Cincinnati Insurance Company	United States of America	No	[1] The IAIS is seeking feedback on the draft overall Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) through public consultation. The overall ComFrame includes the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5 (Suitability of Persons); ICP 7 (Corporate Governance); ICP 8 (Risk Management and Internal Controls); ICP 9 (Supervisory Review and Reporting); ICP 10 (Preventive Measures, Corrective Measures and Sanctions); ICP 12 (Exit from the Market and Resolution); ICP 15 (Investments); ICP 16 (Enterprise Risk Management for Solvency Purposes); ICP 23 (Group-wide Supervision); ICP 25 (Supervisory Cooperation and Coordination). [2] As we have stated many times in similar sets of consultation comments, our company does not believe that the world needs a set of Insurance Core Principles (ICPs), either as a standalone regulatory code or one enhanced and amplified for IAIGs under ComFrame. We also object to the program under which the International Monetary Fund (IMF) grades the U.S. insurance regulatory system on its compliance with the ICPs. [3] The core principles upon which the U.S. insurance regulatory system is premised have functioned perfectly for over 150 years and do not need an overhaul by the International Association of Insurance Supervisors (IAIS) or by its ostensible parent organization, the Financial Stability Board (FSB). [4] Therefore, we object to the overall ComFrame, including the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25. There is no need for the

			IAIS to promulgate an international insurance code on the topics addressed by ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25, or to otherwise claim authority to regulate in these areas. The U.S. and other regulatory regimes are capable of regulating in these areas on their own without interference by the IAIS.
9. MetLife, Inc	USA	No	<p>As a general matter, we strongly recommend that ICP/ComFrame 9 sections serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks. We comment to this effect on ICP/ComFrame Sections 10 and 25 also.</p> <p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and we would express the following concerns with ICP 9.4.9 also expressed in response to Q4 General Comments on ComFrame in ICP 7:</p> <p>External Auditor Reporting to Regulators There is no generally applicable legal or regulatory requirement in the U.S. for external auditors to report directly to regulators. Therefore we suggest that the exchange of information between external auditor and supervisors referenced in several areas throughout the ICPs and related ComFrame provisions (see for example ICPs 7.8.5 and 9.4.9) needs review and revision in line with current general practice. In many instances it would be inappropriate, if not a conflict of interest, for an external auditor retained by the insurer to engage directly with the supervisor and/or for the group-wide supervisor to access work of an external auditor engaged by an insurer. External auditors' findings may be consulted during insurer examination but always in accordance with established protocols that may include insurer consent.</p> <p>The group-wide supervisor may not have authority over the external auditor. Instead of requiring the auditor to report to the group-wide supervisor if it suspects fraud or regulatory breaches, the external auditor should be required to report such findings to the IAIG's Board or Audit Committee, and the IAIG should be required to provide that report to the group-wide supervisor.</p>
10. Property Casualty Insurers Association of America (PCI)	USA	No	As a general matter, we strongly recommend that ICP 9/ComFrame sections serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks. We comment to this effect on ICP/ComFrame Sections 10 and 25 also.

			<p>While the IAIS requests comments only on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICP and we would express the following concerns with ICP 9.4.9 also expressed in response to Q4 General Comments on ComFrame in ICP 7:</p> <p>External Auditor Reporting to Regulators</p> <p>There is no generally applicable legal or regulatory requirement in the U.S. for external auditors to report directly to regulators. Therefore, we suggest that the exchange of information between external auditor and supervisors referenced in several areas throughout the ICPs and related ComFrame provisions (see for example ICPs 7.8.5 and 9.4.9) needs review and revision in line with current general practice. In many instances it would be inappropriate, if not a conflict of interest, for an external auditor engaged by the insurer to engage directly with the supervisor and/or for the group-wide supervisor to access work of an external auditor engaged by an insurer. External auditors' findings may be consulted during insurer examination but always in accordance with established protocols that may include insurer consent.</p> <p>The group-wide supervisor may not have authority over the external auditor. Instead of requiring the auditor to report to the group-wide supervisor if it suspects fraud or regulatory breaches, the external auditor should be required to report such findings to the IAIG's Board or Audit Committee, and the IAIG should be required to provide that report to the group-wide supervisor.</p>
Q2 Comment on ComFrame Standard CF9.0.a			
11. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions. However, clarification is requested as to what is meant by the term "relevant legislation and supervisory requirements", as this is very broad. Insurance Europe suggests there should be an element of materiality or a risk-based measure embedded in this Standard, to better reflect the overarching concept of proportionality.
12. Global Federation of Insurance Associations	Global	No	GFIA supports the proposed revisions. However, clarification is requested regarding the phrase "relevant legislation and supervisory requirements," as this phrase is very broad. Additionally, there should be an element of materiality or a risk-based measure embedded in this Standard to better reflect the overarching concept of proportionality.
13. American Council of Life Insurers	Office of General Counsel	No	As a general matter, we strongly recommend that these sections serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial

			stability. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks.
15. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA is of the opinion that this version of the standard lacks clarity (after the changes that were made to partly integrate former standard CF9.0.b), and is in parts a repetition of the ICP 9 principle statement. Supervisory review by definition already includes engagement with and communication with the insurer. In addition, CF 9.2.b.1 includes that the GWS, for the group-wide risk assessment, considers the IAIGs approach to its legal and regulatory obligations. Therefore, FINMA suggests either deleting this standard and amend ICP 25 to address the important cooperation and coordination aspect among involved supervisors; or clarifying this standard, especially the editorial change made from level of the IAIG to the level of the head of the IAIG.
16. Association of British Insurers	United Kingdom	No	The ABI supports the proposed revisions. However, clarification is requested as to what is meant by the term "relevant legislation and supervisory requirements", as this is very broad. There should be an element of materiality or a risk-based measure embedded in this Standard, to better reflect the overarching concept of proportionality.
17. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
18. Prudential Financial, Inc.	United States of America	No	We believe it is important to recognize the need to respect confidentiality of certain data within the ICP and request the standard be modified to read as follows - "The group-wide supervisor engages with the Head of the IAIG and, in cooperation with other involved supervisors - subject to confidentiality requirements, carries out a supervisory review to assess the IAIG's compliance with relevant legislation and supervisory requirements applicable at the level of the Head of the IAIG.
19. American Property Casualty Insurance Association (APCI)	USA	No	We appreciate that the CD envisions the supervisory college being part of this process, but we are concerned that the scope of this requirement could be extremely broad, and that a review of compliance with every legislative and supervisory requirement applicable at the Head of the IAIG (which could number in the many thousands) could take an enormous amount of time and effort for the IAIG and for the supervisors involved. Some guidance to narrow the scope of the potential review would be helpful.
Q3 Comment on ComFrame Guidance CF9.0.a.1			
20. Insurance Europe	Europe	No	Insurance Europe welcomes the introduction of this Guidance, as it deems it very important that the cooperation between the group supervisor and other involved supervisors takes place within the setting of a college of supervisors which ensures transparency and promotes convergence of supervisory practices.

			To that end, Insurance Europe suggests that the Guidance should require the supervisory review to be conducted within the supervisory college.
21. Global Federation of Insurance Associations	Global	No	GFIA welcomes the reference to the supervisory college in this Guidance. However, GFIA considers that the review should be undertaken as part of the supervisory college, as this provides the best forum within which to explore this assessment and receive feedback from the other supervisors. It also allows the IAIG to discuss the plan with all its regulators in one setting, which is the most efficient process for all parties. A separate process could place further unquantifiable burdens and expense on the IAIG and its companies.
23. Association of British Insurers	United Kingdom	No	The ABI welcomes the reference to the supervisory college in this Guidance. However, we consider that the review should be undertaken as part of the supervisory college, as this provides the best forum within which to explore this assessment and receive feedback from the other supervisors. It also allows the IAIG to discuss the plan with all its regulators in one setting, which is the most efficient process for all parties. A separate process could place further unquantifiable burdens and expense on the IAIG and its companies.
24. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
25. American Property Casualty Insurance Association (APCI)	USA	No	AIA welcomes the reference to the supervisory college in this Guidance. However, we consider that the review should be undertaken as part of the supervisory college, as this provides the best forum within which to explore this assessment and receive feedback from the other supervisors. It also allows the IAIG to discuss the plan with all its regulators in one setting, which is the most efficient process for all parties. A separate process could place further unquantifiable burdens and expense on the IAIG and its companies.
Q4 Comment on ComFrame Standard CF9.2.a			
26. Insurance Europe	Europe	No	Insurance Europe highlights that an annual frequency for the risk assessment for all IAIG is not necessary. The determination of the frequency should be risk-based and hence set according to the individual risk profile.
27. Global Federation of Insurance Associations	Global	No	Consistent with a flexible and risk-based approach to supervisory review and reporting, GFIA suggests that the frequency of the group-wide assessment be within the supervisory judgment and discretion of the group-wide supervisor based on discussions with IAIG management and with other involved supervisors in the college. GFIA therefore recommends that the phrase "at least annually" be changed to "periodically as deemed necessary by the group-wide supervisor."

28. Institute of International Finance	Global	No	<p>Consistent with a flexible and risk-based approach to supervisory review and reporting, we suggest that the frequency of the group-wide assessment be within the supervisory judgment and discretion of the group-wide supervisor based on discussions with IAIG management.</p> <p>We therefore recommend that the phrase "at least annually" be changed to "periodically as deemed necessary by the group-wide supervisor."</p> <p>Additionally, It would seem important to understand how a Group ORSA and other aggregate risk assessments/reports are leveraged in the supervisor's assessment.</p>
29. American Council of Life Insurers	Office of General Counsel	No	<p>Consistent with a flexible and risk-based approach to supervisory review and reporting, we suggest that the frequency of the group-wide assessment be within the supervisory judgment and discretion of the group-wide supervisor based on discussions with IAIG management.</p> <p>We therefore recommend that the phrase "at least annually" be changed to "periodically as deemed necessary by the group-wide supervisor."</p>
31. Association of British Insurers	United Kingdom	No	<p>An annual frequency for the risk assessment for all IAIGs is not necessary. The determination of the frequency should be risk-based and hence set according to the individual risk profile.</p>
32. Cincinnati Insurance Company	United States of America	No	<p>See answer to Q1.</p>
33. MetLife, Inc	USA	No	<p>Consistent with a flexible and risk-based approach to supervisory review and reporting, we suggest that the frequency of the group-wide assessment be within the supervisory judgment and discretion of the group-wide supervisor based on discussions with IAIG management.</p> <p>We therefore recommend that the phrase "at least annually" be changed to "periodically as deemed necessary by the group-wide supervisor."</p>
34. Property Casualty Insurers	USA	No	<p>Consistent with a flexible and risk-based approach to supervisory review and reporting, we suggest that the frequency of the group-wide risk assessment be within the supervisory judgment and discretion of the group-wide supervisor based on discussions with IAIG management.</p>

Association of America (PCI)			We therefore recommend that the phrase "at least annually" be changed to "periodically as deemed necessary by the group-wide supervisor."
Q5 Comment on ComFrame Guidance CF9.2.a.1			
36. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q6 Comment on ComFrame Guidance CF9.2.a.2			
38. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q7 Comment on ComFrame Guidance CF9.2.a.3			
40. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q8 Comment on ComFrame Guidance CF9.2.a.4			
41. Insurance Europe	Europe	No	Information sharing between the group-wide and other relevant supervisors should be subject to confidentiality requirements, and this Guidance should make this clear. Inputs should only be used for the proper purpose of supervision by the group-wide supervisor.
42. Global Federation of Insurance Associations	Global	No	<p>This provision appears to suggest that the group-wide supervisor should consult with other relevant supervisors with jurisdiction over matters such as macro-prudential analysis, anti-money laundering or combatting the financing of terrorism. If so, this intent is not entirely clear as currently drafted. To clarify, GFIA suggests inserting the following underlined phrase: "The group-wide supervisor should consider inputs from other relevant supervisors not involved in the direct supervision of the IAIG, to the extent such supervisors have jurisdiction over those matters, such as..."</p> <p>In addition, GFIA recommends that the phrase "macro-prudential analysis" be replaced with "macro-economic analysis".</p> <p>Most importantly, any information sharing between the group-wide and other relevant supervisors should be subject to</p>

			confidentiality requirements, and this Guidance should make that clear. Inputs should only be used for the proper purpose of supervision by the group-wide supervisor.
43. Institute of International Finance	Global	No	This statement appears to suggest that the group-wide supervisor should consult with other relevant supervisors with jurisdiction over matters such as macro-prudential analysis, anti-money laundering or combatting the financing of terrorism. If so, this intent is not entirely clear as currently drafted. To clarify, we would suggest inserting the phrase ", to the extent such supervisors have jurisdiction over matters" between "not involved in the direct supervision of the IAIG" and "such as".
44. American Council of Life Insurers	Office of General Counsel	No	This statement appears to suggest that the group-wide supervisor should consult with other relevant supervisors with jurisdiction over matters such as macro-prudential analysis, anti-money laundering or combatting the financing of terrorism. If so, this intent is not entirely clear as currently drafted. To clarify, we would suggest inserting the phrase, "to the extent such supervisors have jurisdiction over matters" between "not involved in the direct supervision of the IAIG" and "such as." In addition, we would recommend that the phrase "macro-prudential analysis" be replaced with "macro-economic analysis".
46. Association of British Insurers	United Kingdom	No	Information sharing between the group-wide supervisor and other relevant supervisors should be subject to confidentiality requirements, and this Guidance should make this clear. Inputs should only be used for the proper purpose of supervision by the group-wide supervisor.
47. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
48. American Property Casualty Insurance Association (APCI)	USA	No	Information sharing between the group-wide and other relevant supervisors should be subject to confidentiality requirements, and this Guidance should make that clear. This information should only be used for its intended purpose of supervision by the group-wide supervisor.
49. MetLife, Inc	USA	No	This statement appears to suggest that the group-wide supervisor should consult with other relevant supervisors with jurisdiction over matters such as macro-prudential analysis, anti-money laundering or combatting the financing of terrorism. If so, this intent is not entirely clear as currently drafted. To clarify, we would suggest inserting the phrase ", to the extent such supervisors have jurisdiction over matters" between "not involved in the direct supervision of the IAIG" and "such as".

50. Property Casualty Insurers Association of America (PCI)	USA	No	This statement appears to suggest that the group-wide supervisor should consult with other relevant supervisors with jurisdiction over matters such as macro-prudential analysis, anti-money laundering or combatting the financing of terrorism. If so, this intent is not entirely clear as currently drafted. To clarify, we would suggest inserting the phrase ", to the extent such supervisors have jurisdiction over matters" between "not involved in the direct supervision of the IAIG" and "such as".
Q9 Comment on ComFrame Guidance CF9.2.a.5			
51. Association of Bermuda Insurers and Reinsurers	Bermuda	No	ABIR recommends that the language around the anonymizing of non-public information be strengthened to indicate that supervisors "should" anonymize non-public information versus be given the option by using the current language of "may consider whether it is appropriate". To avoid information being used as a competitive advantage.
52. Insurance Europe	Europe	No	<p>Insurance Europe agrees there may be value in supervisors undertaking peer-group analysis. However, this Guidance should deter supervisors from using inappropriate comparators when undertaking peer-group analysis. Unnecessary harmonisation of risk management would be undesirable in an industry that depends on diversification, and peer-group analysis should not be an opportunity for supervisors to impose uniform risk assessments and business models.</p> <p>It is also unclear, how a supervisor would identify who appropriate peers are, in order to undertake a peer-group analysis. This would seem to be particularly difficult given the IAIGs will operate in different jurisdictions, facing different risks. When identifying peer groups, the comparators must be accurate and relevant.</p> <p>In addition, Insurance Europe notes that it is not clear what kind of non-public information will be made use of, and for what outcome.</p>
53. Global Federation of Insurance Associations	Global	No	<p>GFIA appreciates the consideration that has gone into amending this Guidance to recognise the risks of peer-group analysis, in particular the recognition of competitive concerns, and the direction to use publicly-available information. That said, there remains serious concerns with the Guidance in CF 9.2.a.5-7.</p> <p>GFIA strongly takes the view that non-public information should not be used for the purpose of peer-group analysis, as there is a significant potential that use in this manner would jeopardize confidentiality. For example, communication to a particular IAIG of a supervisor's risk assessment based in part on a peer-group analysis would very possibly reveal some information regarding the "peer" IAIG(s), including material, non-public information. Anonymization of information may not adequately conceal the source, given the likely small number of IAIGs in any way comparable to a particular IAIG. Directing supervisors to use non-public information of one IAIG to assess another IAIG, therefore, creates a serious risk of inadvertent disclosure by a supervisor of material, non-public information, potentially violating or otherwise undermining securities laws designed to regulate the disclosure of such information.</p>

			<p>Further, these sections are fraught with the risk of false comparisons of one IAIG to another IAIG. It may be tempting to view one IAIG as having a substantially similar risk profile as another IAIG because both are similar in size or do business in certain common jurisdictions. However, the actual size and mix of businesses in which IAIGs are engaged is highly unlikely to match up in a meaningful way in many instances. By definition, IAIGs are among the very largest insurance groups, and very likely among the most complex; it is very unlikely that meaningful peer comparisons can be made among groups that are thus inherently unique and which comprise a very small population of groups globally. As a result, peer-group analysis may lead supervisors to impose uniform risk assessments and business models that are unwarranted, which is particularly undesirable in an industry that depends on diversification.</p> <p>Most significantly, since supervisors develop an understanding of best practices based on their general regulatory experience and use this understanding when assessing group-wide risk, GFIA takes the view that peer-group analysis to be an unnecessary, as well as a risky, practice.</p> <p>For these reasons, and because peer-group analysis based only on information in the public domain would likely be of little value, GFIA suggests that the Guidance in CF 9.2.a.5-7 be deleted.</p>
54. Institute of International Finance	Global	No	We strongly believe that non-public information should not be used for the purpose of peer-group analysis, as there is a significant potential that use in this manner would jeopardize confidentiality, we suggest that these standards be deleted.
55. AIA Group	Hong Kong	No	We appreciate the acknowledgement on maintaining the confidentiality of non-public information. Please note that generally there may also be securities law requirements to be followed on the disclosure of material non-public information.
56. General Insurance Association of Japan	Japan	No	Anonymizing is not enough to prevent leakage of information that is important with regard to competition. Therefore, we suggest adding the following sentence in line with CF 9.2.a.7: "Important corporate information that could affect competition with the IAIG's peers should be subject to confidentiality requirements (see ICP 3 - Information Exchange and Confidentiality Requirements)".
57. American Council of Life Insurers	Office of General Counsel	No	We strongly believe that non-public information should not be used for the purpose of peer-group analysis, as there is a significant potential that use in this manner would jeopardize confidentiality. For example, communication to a particular IAIG of a supervisor's risk assessment based in part on a peer-group analysis would very possibly reveal some information regarding the "peer" IAIG(s), including material non-public information. Anonymization of information may not adequately conceal the source, given the likely small number of IAIGs in any way comparable to a particular IAIG. Directing supervisors to use non-public information of one IAIG to assess another IAIG, therefore, creates a serious risk of inadvertent disclosure by a supervisor of material, non-public information, potentially violating or otherwise undermining securities laws designed to

			<p>regulate the disclosure of such information.</p> <p>Further, these sections are fraught with risk of false comparisons of one IAIG to another IAIG. It may be tempting to view one IAIG as having a substantially similar risk profile as another IAIG, because both are similar in size or do business in certain common jurisdictions. However, the actual size and mix of businesses in which IAIGs are engaged is highly unlikely to match up in a meaningful way in many instances. By directing supervisors to consider use of a peer-group analysis, we are deeply concerned that these sections will lead to the misapplication of one IAIG's analysis to another IAIG.</p> <p>Most significantly, since supervisors develop an understanding of best practices based on their general regulatory experience and use this understanding when assessing group-wide risk, we believe peer-group analysis to be an unnecessary as well as a risky additional tool.</p> <p>In sum, for these reasons, and because peer-group analysis based only on information in the public domain would likely be of little value, we suggest that these standards be deleted.</p>
59. Swiss Re	Switzerland	No	We would appreciate if IAIS could strengthen the language to emphasize the need for protection of business-sensitive data. Ideally, IAIS could say in the last sentence that the supervisor SHOULD consider whether it is appropriate to anonymize information shared.
60. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the consideration that has gone into amending this Guidance to recognise the risks of peer-group analysis, in particular the recognition of competitive concerns, and the direction to use publicly-available information.</p> <p>However, the ABI would suggest further amendment to recognise the dangers of using inappropriate comparators. Unnecessary harmonisation of risk management would be undesirable in an industry that depends on diversification, and peer-group analysis should not be an opportunity for supervisors to impose uniform risk assessments and business models.</p>
62. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
63. Prudential Financial, Inc.	United States of America	No	We strongly disagree with notion of sharing non-public information with supervisors without an immediate interest in the group (i.e., an entity to which they are the primary supervisor of). Accordingly, the following section should be removed from the standard - "The group-wide supervisor may also use non-public information provided by other supervisors. If sharing non-public information for the purpose of the peer-group analysis, the supervisors should be conscious of the risk of sharing information that in certain situations could compromise the competitive advantage of the IAIG's peers. The supervisors may consider whether it is appropriate to anonymise information shared."

64. American Property Casualty Insurance Association (APCI)	USA	No	<p>AIA has serious concerns with the peer-group analysis Guidance in CF 9.2.a.5-7. To begin, we do not believe that non-public information should be used for peer-group analysis because of confidentiality concerns. Since few IAIGs would likely qualify as comparable to a particular IAIG, anonymizing information may not adequately conceal its source. Therefore, directing supervisors to use non-public information of one IAIG to assess another creates a serious risk of inadvertent disclosure by a supervisor, including disclosure of material, non-public information.</p> <p>Additionally, it would be exceedingly difficult to match the size and business of one IAIG to another in a meaningful way. By definition, IAIGs are among the very largest insurance groups, and very likely among the most complex; it is very unlikely that meaningful peer comparisons can be made among groups that are thus inherently unique and which comprise a very small population of groups globally. As a result, peer-group analysis would provide little useful information, and it may lead supervisors to impose uniform risk assessments and business models that are unwarranted, which is particularly undesirable in an industry that depends on diversification.</p> <p>For these reasons, AIA believes the Guidance in CF 9.2.a.5-7 be deleted.</p>
65. MetLife, Inc	USA	No	<p>We strongly believe that non-public information should not be used for the purpose of peer-group analysis, as there is a significant potential that use in this manner would jeopardize confidentiality. For example, communication to a particular IAIG of a supervisor's risk assessment based in part on a peer-group analysis would very possibly reveal some information regarding the "peer" IAIG(s), including material non-public information. Anonymization of information may not adequately conceal the source, given the likely small number of IAIGs in any way comparable to a particular IAIG. Directing supervisors to use non-public information of one IAIG to assess another IAIG, therefore, creates a serious risk of inadvertent disclosure by a supervisor of material, non-public information, potentially violating or otherwise undermining securities laws designed to regulate the disclosure of such information.</p> <p>Further, these sections are fraught with risk of false comparisons of one IAIG to another IAIG. It may be tempting to view one IAIG as having a substantially similar risk profile as another IAIG, because both are similar in size or do business in certain common jurisdictions. However, the actual size and mix of businesses in which IAIGs are engaged is highly unlikely to match up in a meaningful way in many instances. By directing supervisors to consider use of a peer-group analysis, we are deeply concerned that these sections will lead to the misapplication of one IAIG's analysis to another IAIG.</p> <p>Most significantly, since supervisors develop an understanding of best practices based on their general regulatory experience and use this understanding when assessing group-wide risk, we believe peer-group analysis to be an unnecessary as well as a risky additional tool.</p>

			In sum, for these reasons, and because peer-group analysis based only on information in the public domain would likely be of little value, we suggest that these standards be deleted.
66. Property Casualty Insurers Association of America (PCI)	USA	No	<p>We strongly believe that non-public information should not be used for the purpose of peer-group analysis, as there is a significant potential that use in this manner would jeopardize confidentiality. For example, communication to a particular IAIG of a supervisor's risk assessment based in part on a peer-group analysis would very possibly reveal some information regarding the "peer" IAIG(s), including material non-public information. Anonymization of information may not adequately conceal the source, given the likely small number of IAIGs in any way comparable to a particular IAIG. Directing supervisors to use non-public information of one IAIG to assess another IAIG, therefore, creates a serious risk of inadvertent disclosure by a supervisor of material, non-public information, potentially violating or otherwise undermining securities laws designed to regulate the disclosure of such information.</p> <p>Further, these sections are fraught with risk of false comparisons of one IAIG to another IAIG. It may be tempting to view one IAIG as having a substantially similar risk profile as another IAIG, because both are similar in size or do business in certain common jurisdictions. However, the actual size and mix of businesses in which IAIGs are engaged is highly unlikely to match up in a meaningful way in many instances. By directing supervisors to consider use of a peer-group analysis, we are deeply concerned that these sections will lead to the misapplication of one IAIG's analysis to another IAIG.</p> <p>Most significantly, since supervisors develop an understanding of best practices based on their general regulatory experience and use this understanding when assessing group-wide risk, we believe peer-group analysis to be an unnecessary as well as a risky additional tool.</p> <p>In sum, for these reasons, and because peer-group analysis based only on information in the public domain would likely be of little value, we suggest that these standards be deleted.</p>
67. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	While the text on peer group analysis (Guidance CF 9.2a.5 to 9.2a.7) has improved since the last consultation, not all IAIGs are the same, so peer-group analysis may not be possible or relevant for all IAIGs. In light of this, this guidance material should use "may" rather than "should" as this should be seen more as a suggestion rather than a recommendation (per the ICP Introduction).
Q10 Comment on ComFrame Guidance CF9.2.a.6			
68. Insurance Europe	Europe	No	Please also see response to Q9 (Guidance CF9.2.a.5)

69. Global Federation of Insurance Associations	Global	No	See response to CF 9.2.a.5 in Q9.
70. American Council of Life Insurers	Office of General Counsel	No	<p>We strongly believe that non-public information should not be used for the purpose of peer-group analysis, as there is a significant potential that use in this manner would jeopardize confidentiality. For example, communication to a particular IAIG of a supervisor's risk assessment based in part on a peer-group analysis would very possibly reveal some information regarding the "peer" IAIG(s), including material non-public information. Anonymization of information may not adequately conceal the source, given the likely small number of IAIGs in any way comparable to a particular IAIG. Directing supervisors to use non-public information of one IAIG to assess another IAIG, therefore, creates a serious risk of inadvertent disclosure by a supervisor of material, non-public information, potentially violating or otherwise undermining securities laws designed to regulate the disclosure of such information.</p> <p>Further, these sections are fraught with risk of false comparisons of one IAIG to another IAIG. It may be tempting to view one IAIG as having a substantially similar risk profile as another IAIG, because both are similar in size or do business in certain common jurisdictions. However, the actual size and mix of businesses in which IAIGs are engaged is highly unlikely to match up in a meaningful way in many instances. By directing supervisors to consider use of a peer-group analysis, we are deeply concerned that these sections will lead to the misapplication of one IAIG's analysis to another IAIG.</p> <p>Most significantly, since supervisors develop an understanding of best practices based on their general regulatory experience and use this understanding when assessing group-wide risk, we believe peer-group analysis to be an unnecessary as well as a risky additional tool.</p> <p>In sum, for these reasons, and because peer-group analysis based only on information in the public domain would likely be of little value, we suggest that these standards be deleted.</p>
72. Association of British Insurers	United Kingdom	No	It remains unclear how a supervisor would identify who appropriate peers are, in order to undertake a peer-group analysis. This would seem to be particularly difficult given the IAIGs will operate in different jurisdictions, facing different risks. When identifying peer groups, comparators must be accurate and relevant.
73. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

74. Prudential Financial, Inc.	United States of America	No	As noted in our response to Q9, strongly disagree with notion of sharing non-public information with supervisors without an immediate interest in the group. Accordingly, the following bullet should be removed from the standard - "internal IAIG practices and governance, including risk management."
75. MetLife, Inc	USA	No	Please see response to CF 9.2.a.5 in Q9 above
76. Property Casualty Insurers Association of America (PCI)	USA	No	Please see our response to CF 9.2.a.5 in Q9 above.
Q11 Comment on ComFrame Guidance CF9.2.a.7			
77. Association of Bermuda Insurers and Reinsurers	Bermuda	No	ABIR supports the explicit requirement for ensuring confidentiality with respect to the sharing of the peer-analysis within the supervisory college.
78. Insurance Europe	Europe	No	Insurance Europe recommends amending the second sentence to say "Peer -group analysis should must be subject to confidentiality requirements"
79. Global Federation of Insurance Associations	Global	No	See response to CF 9.2.a.5 in Q9.
80. American Council of Life Insurers	Office of General Counsel	No	We strongly believe that non-public information should not be used for the purpose of peer-group analysis, as there is a significant potential that use in this manner would jeopardize confidentiality. For example, communication to a particular IAIG of a supervisor's risk assessment based in part on a peer-group analysis would very possibly reveal some information regarding the "peer" IAIG(s), including material non-public information. Anonymization of information may not adequately conceal the source, given the likely small number of IAIGs in any way comparable to a particular IAIG. Directing supervisors to use non-public information of one IAIG to assess another IAIG, therefore, creates a serious risk of inadvertent disclosure by a supervisor of material, non-public information, potentially violating or otherwise undermining securities laws designed to regulate the disclosure of such information.

			<p>Further, these sections are fraught with risk of false comparisons of one IAIG to another IAIG. It may be tempting to view one IAIG as having a substantially similar risk profile as another IAIG, because both are similar in size or do business in certain common jurisdictions. However, the actual size and mix of businesses in which IAIGs are engaged is highly unlikely to match up in a meaningful way in many instances. By directing supervisors to consider use of a peer-group analysis, we are deeply concerned that these sections will lead to the misapplication of one IAIG's analysis to another IAIG.</p> <p>Most significantly, since supervisors develop an understanding of best practices based on their general regulatory experience and use this understanding when assessing group-wide risk, we believe peer-group analysis to be an unnecessary as well as a risky additional tool.</p> <p>In sum, for these reasons, and because peer-group analysis based only on information in the public domain would likely be of little value, we suggest that these standards be deleted.</p>
82. Association of British Insurers	United Kingdom	No	The ABI welcomes the explicit reference to the confidentiality requirements in ICP 3.
83. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
84. Prudential Financial, Inc.	United States of America	No	Given the layered structure of IAIS policy measures we believe it would appropriate to expressly acknowledge the need for and appropriateness of confidentiality requirements in ComFrame rather than reference the ICPs. While the ICPs and ComFrame are directly related each should also be able to effectively stand on its own.
85. MetLife, Inc	USA	No	Please see response to CF 9.2.a.5 in Q9 above
Q12 Comment on ComFrame Standard CF9.2.b			
86. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
87. Global Federation of	Global	No	<p>GFIA welcomes the amendments to this Standard, which provide a more precise focus for the group-wide risk assessment.</p> <p>However, GFIA is of the view that the three items listed as minimum components of a group-wide supervisor's evaluation of</p>

Insurance Associations			its group-wide risk assessment of an IAIG should be optional, not prescriptive. Accordingly, the beginning of the sentence, which currently reads "The group-wide supervisor includes in its group-wide risk assessment of an IAIG, at least, an evaluation of the following:" should be replaced with "The group-wide supervisor's group-wide risk assessment of an IAIG may include an evaluation of the following:".
88. General Insurance Association of Japan	Japan	No	It is important that a group-wide risk assessment of an IAIG take into account their size, complexity, characteristics, and financial soundness. Therefore, "at least" should be replaced by "as necessary" since a uniform requirement regarding assessment items is not necessary. Also, since "the capital adequacy and the availability of capital to meet...the regulatory capital requirements for each insurance legal entity within the IAIG" is assessed by supervisors in each jurisdiction, further assessment by the group-wide supervisor would be a duplication. Group-wide supervisor should only be required to assess capital adequacy at the group level. Therefore, we propose to revise this item as follows to be in line with CF 9.2.b.3: "the capital adequacy and the availability of capital to meet group-wide capital requirements;" (delete "as well as the regulatory capital requirements for each insurance legal entity within the IAIG"). Alternatively, this item can be revised as follows to eliminate misunderstanding that the group-wide supervisor assesses the regulatory capital requirements for each insurance legal entity within the IAIG: "to meet group-wide capital requirements, taking into account the regulatory capital requirements for each insurance legal entity within the IAIG".
89. American Council of Life Insurers	Office of General Counsel	No	The three items listed as minimum components of a group-wide supervisor's evaluation of its group-wide risk assessment of an IAIG should be optional, not prescriptive. Accordingly, the beginning of the sentence, which currently reads "The group-wide supervisor includes in its group-wide risk assessment of an IAIG, at least, an evaluation of the following:", should be replaced with "The group-wide supervisor's group-wide risk assessment of an IAIG may include an evaluation of the following:"
91. Association of British Insurers	United Kingdom	No	The ABI welcomes the amendments to this Standard, which provide better focus for the group-wide risk assessment.
92. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
93. American Property Casualty Insurance	USA	No	AIA welcomes the amendments to this Standard, which provide a more precise focus for the group-wide risk assessment.

Association (APCI)			
Q13 Comment on ComFrame Guidance CF9.2.b.1			
94. Insurance Europe	Europe	No	<p>Insurance Europe generally supports the proposed revisions. However, the IAIS should reconsider the appropriateness of including non-regulated and non-financial legal entities in the scope of the group-wide risk assessment. This may not be appropriate in all jurisdictions. Please also refer to comments made on CF9.2.b.6.</p> <p>Insurance Europe notes that the third bullet point requires some context to indicate that it is material inter-linkages between regulated and non-regulated entities that the supervisors risk assessment should focus on. Insurance Europe proposes that the third bullet point is amended as follows: - "Material inter-linkages between regulated entities and non-regulated and non-financial entities within the IAIG'.</p> <p>In addition, the inclusion of "the potential impact that the IAIG's failure would have" (final bullet point) duplicates the assessment undertaken in relation to resolution planning, and is out of place in the context of the going-concern group-wide risk assessment. Insurance Europe suggests this bullet point be deleted.</p>
95. German Insurance Association	Germany	No	<p>GDV generally supports the proposed revisions. However, the IAIS should reconsider the appropriateness of including non-regulated and non-financial legal entities in the scope of the group-wide risk assessment. This may not be appropriate in all jurisdictions. Please also refer to comments made on CF9.2.b.6.</p>
96. Global Federation of Insurance Associations	Global	No	<p>In the second bullet, in order to provide clarification that the proposals being considered are those of the IAIG and that the specific areas of risks relate only to material risks, GFIA suggests that the current language, which reads "the IAIG's approach to its legal and regulatory obligations, its product distribution model and its proposals for dealing with specific areas of risk;" be replaced with "the IAIG's approach to its legal and regulatory obligations, its product distribution model and the IAIG's proposals for dealing with specific areas of material risk;".</p> <p>The third bullet point should be amended to indicate that the risk assessment should focus on material entities within the IAIG.</p> <p>GFIA welcomes the clarification given around the idea previously expressed as the "macroprudential environment" in bullet point five. This point can be further clarified, however, by replacing the term "macro environment" with "macro-economic environment".</p> <p>The inclusion of "the potential impact that the IAIG's failure would have" in the final bullet point duplicates the assessment</p>

			undertaken in relation to resolution planning, and is out of place in the context of the going-concern group-wide risk assessment. GFIA therefore suggests this bullet point be deleted.
97. International Actuarial Association	International	No	The fifth bullet should be re-stated as follows to refer to "the ability of insurance legal entities within the IAIG to meet policyholder obligations individually as well as collectively within the IAIG due to ripple effects that may impact the entire IAIG. This ability should be considered in the near as well as long term in the context of the risks arising from the macro environment in which the IAIG operates."
98. American Council of Life Insurers	Office of General Counsel	No	<p>In the second bullet, in order to provide clarification that the proposals being considered are those of the IAIG, and that the specific areas of risks relate only to material risks, we suggest that the current language, which reads "the IAIG's approach to its legal and regulatory obligations, its product distribution model and its proposals for dealing with specific areas of risk;" be replaced with "the IAIG's approach to its legal and regulatory obligations, its product distribution model and the IAIG's proposals for dealing with specific areas of material risk;".</p> <p>In the fifth bullet, we recommend that the term "macro environment" be replaced with "macro-economic environment."</p> <p>In the sixth bullet, we suggest that the current language, which reads "the potential impact that the IAIG's failure would have on policyholders, the insurance market, and the financial markets as a whole" be replaced with "a vulnerability assessment on the potential sources of financial stress to the insurer and whether they could give rise to meaningful increased risk to the financial markets or the firm's ability to satisfy its own obligations".</p>
100. Association of British Insurers	United Kingdom	No	<p>The third bullet point should be amended to indicate that the risk assessment should focus on material regulated and non-regulated entities.</p> <p>The ABI welcomes the clarification given around the idea previously expressed as the "macroprudential environment" (bullet point five).</p> <p>The inclusion of "the potential impact that the IAIG's failure would have" (final bullet point) duplicates the assessment undertaken in relation to resolution planning, and is out of place in the context of the going-concern group-wide risk assessment. The ABI proposes that this bullet point be deleted.</p>
101. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

102. American Property Casualty Insurance Association (APCI)	USA	No	<p>The second bullet point should apply only to material risks.</p> <p>Similarly, the third bullet point should be amended to indicate that the risk assessment should focus on material regulated and non-regulated entities.</p> <p>The inclusion of "the potential impact that the IAIG's failure would have" in the final bullet point duplicates the assessment undertaken in relation to resolution planning, and is out of place in the context of the going-concern group-wide risk assessment. We suggest this bullet point be deleted.</p>
Q14 Comment on ComFrame Guidance CF9.2.b.2			
103. Insurance Authority (IA)	China, Hong Kong	No	Suggest to amend the second bullet point to include "intra-group interdependency" due to the different management in control even for different entities within the same border
104. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
105. Global Federation of Insurance Associations	Global	No	<p>GFIA welcomes the removal of the statement suggesting that where operations span different financial sectors they will have a complex operating structure.</p> <p>Additionally, in the third bullet, the phrase "or result in a circumvention of sectoral regulatory requirements" should be deleted.</p>
106. General Insurance Association of Japan	Japan	No	<p>It is far from appropriate to require a recovery and resolution plans for all IAIGs in a uniform manner. Given the principle of proportionality, the requirements on recovery and resolution plans for an IAIG should be decided in proportion to its ICS Ratio, difficulties as may be identified in the ORSA process, etc.</p> <p>Where a resolution plan is developed for those IAIGs which demonstrate sound financial conditions and no sign or imminent risk of deterioration, to prepare for the crisis in a gone concern situation, a relatively simple plan should suffice as opposed to those IAIGs which come short of the qualities mentioned above.</p>
107. American Council of Life Insurers	Office of General Counsel	No	In the third bullet, the phrase "or result in a circumvention of sectoral regulatory requirements" should be deleted.

109. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the removal of the statement suggesting that where operations span different financial sectors they will have a complex operating structure.</p> <p>However, the third bullet point requires context to indicate that it is material inter-linkages between regulated and non-regulated entities that the supervisors risk assessment should focus on. The ABI proposes that the third bullet point is amended as follows:</p> <p>"Material inter-linkages between regulated entities and non-regulated and non-financial entities within the IAIG".</p>
110. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
111. Prudential Financial, Inc.	United States of America	No	Given the general nature of the guidance we believe the following point is unnecessary and should be removed - "Such cross-border activity may also increase the complexity of recovery and resolution planning." In addition, we believe the final bullet should also be made more general and rewritten to read as follows - "significant intra-group transactions which may give rise to contagion effects within the IAIG. The group-wide supervisor should evaluate whether the Head of the IAIG has adequate oversight over all material intra-group transactions."
112. American Property Casualty Insurance Association (APCI)	USA	No	AIA welcomes the removal of the statement suggesting that where operations span different financial sectors they will have a complex operating structure.
Q15 Comment on ComFrame Guidance CF9.2.b.3			
113. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
115. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q16 Comment on ComFrame Guidance CF9.2.b.4			

116. American Council of Life Insurers	Office of General Counsel	No	ACLI suggests that the high-level standard be reworded to reflect that ComFrame provides standards and guidance that serve as points of reference as supervisors (and where appropriate/necessary, regulators) take actions to build out their supervisory and solvency frameworks consistent with the standards on an outcomes-basis.
118. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q17 Comment on ComFrame Guidance CF9.2.b.5			
120. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q18 Comment on ComFrame Guidance CF9.2.b.6			
121. China Banking and Insurance Regulatory Commission (CBIRC)	China	No	This section requires using a proxy approach to calculate capital requirements for non-regulated entities. We are of the view that proxy approach may not capture the true impact of such entities on the group. Other than the capital prospective, we suggest that the ComFrame focus more on the potential risk contagions from such entities, use more qualitative requirements, e.g. ring-fencing requirements or stress tests, and monitor the risks of these entities.
122. Insurance Europe	Europe	No	To ensure that a proportional approach is taken that focuses on understanding any dependencies between regulated and unregulated entities, Insurance Europe proposes the first bullet point be amended to ensure a proportionate approach focusing on understanding such dependencies, and to remove the third bullet and to reword the 4th bullet as follows: - the strength of the group capital adequacy to support the insurance legal entities; - where significant risk has been transferred from regulated to non-regulated legal entities within the IAIG, the group-wide supervisor in cooperation with supervisors of the regulated entities should look to understand the dependencies of the regulated entities with the unregulated entities.
123. German Insurance Association	Germany	No	To ensure that a proportional approach is taken that focuses on understanding any dependencies between regulated and unregulated entities, GDV proposes the first bullet point be amended to ensure a proportionate approach focusing on understanding such dependencies, and to remove the third bullet and to reword the 4th bullet as follows

			<p>- the strength of the group capital adequacy to support the insurance legal entities and</p> <p>- if significant where risk has been transferred from regulated to non-regulated legal entities within the IAIG, the group-wide supervisor in cooperation with supervisors of the regulated entities should look to understand the dependencies of the regulated entities with the unregulated entities.</p>
124. Global Federation of Insurance Associations	Global	No	<p>The first bullet point should be amended to ensure that a proportionate approach is taken that focuses on understanding any dependencies between regulated and non-regulated entities.</p> <p>Further, GFIA recommends amending the third bullet point to remove the reference to assessing capital of non-regulated entities by proxy. GFIA suggests replacing the second sentence in this bullet point with "Non-regulated entities should be assessed for the potential impact on the capital adequacy of the group, considering the effectiveness of their legal separation and potential contagion within the group".</p> <p>The fourth bullet point should be amended to recognise materiality, i.e. this should only be where significant risk has been transferred. The focus of supervisors should be on understanding the dependencies. Therefore, GFIA suggests the fourth bullet point be amended as follows:</p> <p>"where significant risk has been transferred from regulated to non-regulated legal entities within the IAIG, the group-wide supervisor in cooperation with supervisors of the regulated entities should look to understand the dependencies of the regulated entities with the unregulated entities. The risk assessment should address third party participations and minority interests."</p>
125. American Council of Life Insurers	Office of General Counsel	No	<p>In the third bullet, the second sentence, which currently reads, "Non-regulated legal entities' contribution to the group capital adequacy could be assessed by calculation of a proxy capital requirement as if the entity were regulated or through deduction of the group's interest in the non-regulated legal entity;", should be replaced with "Non-regulated entities should be assessed for the potential impact on the capital adequacy of the group, considering the effectiveness of their legal separation and potential contagion within the group;".</p>
127. Association of British Insurers	United Kingdom	No	<p>With regard to the first bullet point, the ABI suggests that this be amended to ensure that a proportionate approach is taken that focuses on understanding any dependencies between regulated and non-regulated entities.</p> <p>We recommend amending the third bullet point to remove the reference to assessing capital of non-regulated entities by proxy.</p> <p>The fourth bullet point should be amended to recognise materiality, i.e. this should only be where significant risk has been transferred. The focus of supervisors should be on understanding the dependencies. We propose the fourth bullet point be</p>

			<p>amended as follows:</p> <p>"where significant risk has been transferred from regulated to non-regulated legal entities within the IAIG, the group-wide supervisor in cooperation with supervisors of the regulated entities should look to understand the dependencies of the regulated entities on the non-regulated entities".</p>
128. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
129. Prudential Financial, Inc.	United States of America	No	<p>The standard should be updated to acknowledge that group-wide supervisors may not have the appropriate background or resources to assess non-regulated legal entities and thus may need to procure either or both to effectively execute this task.</p> <p>In addition, the last bullet within this section is unclear. Specifically, the reference to "in cooperation with supervisors of the regulated entities" could be further clarified to read as follows - "in cooperation with supervisors of the transferring regulated entities".</p>
130. American Property Casualty Insurance Association (APCI)	USA	No	<p>The first bullet point should be amended to ensure that a proportionate approach is taken that focuses on understanding any dependencies between regulated and non-regulated entities.</p> <p>Further, we recommend amending the third bullet point to remove the reference to assessing capital of non-regulated entities by proxy.</p> <p>The fourth bullet point should be amended to recognise materiality, i.e. this should only be where significant risk has been transferred. The focus of supervisors should be on understanding the dependencies. We suggest the fourth bullet point be amended as follows:</p> <p>"where significant risk has been transferred from regulated to non-regulated legal entities within the IAIG, the group-wide supervisor in cooperation with supervisors of the regulated entities should look to understand the dependencies of the regulated entities on through to the overall quantum and quality of assets in the non-regulated entities."</p>
131. MetLife, Inc	USA	No	MetLife appreciates this guidance section's focus on the non-regulated activities of an IAIG's entities in conducting a group-wide risk assessment. Given the nature, tenor and design of life insurance products, traditional life insurance activities and appropriately regulated activities do not pose systemic risk.
Q19 Comment on ComFrame Guidance CF9.2.b.7			

132. Insurance Authority (IA)	China, Hong Kong	No	Suggest to amend as - "In conducting the group-wide risk assessment, the group-wide supervisor should evaluate the results of group-wide stress tests from appropriate forward-looking quantitative techniques (such as risk modelling, stress testing, including reverse stress testing, and scenario analysis) that the IAIG performed."
133. Insurance Europe	Europe	No	Insurance Europe agrees. However, it would be too onerous for companies to be imposed macro-prudential stress test every year. A frequency of two years should be the maximum. Furthermore, Insurance Europe notes that it is unclear which stress tests are being considered, this Guidance assumes that a group-wide stress test is required, which is not necessarily the case. Insurance Europe suggests amending this guidance as follows: "group-wide stress tests that the IAIG performed, if required".
134. German Insurance Association	Germany	No	This Guidance assumes that a group-wide stress test is required, which is not necessarily the case. GDV recommend amending this guidance as follows: "group-wide stress tests that the IAIG performed, if required."
135. Global Federation of Insurance Associations	Global	No	This Guidance assumes that a group-wide stress test is required, which is not necessarily the case. GFIA suggests amending this Guidance as follows: "...group-wide stress tests that the IAIG performed, if required."
136. International Actuarial Association	International	No	The group-wide stress tests referred to in this paragraph may properly include those developed by the IAIG as well as those prepared at the request of the group-wide supervisor. It may benefit supervisors to distinguish between these two types of stress tests.
138. Association of British Insurers	United Kingdom	No	CF9.2.a indicates that the group-wide risk assessment should be conducted at least annually. As noted in the response to Q4, the ABI does not consider an annual requirement to be necessary. In particular, it is not necessary or practical that the stress testing envisaged by this Guidance should be carried out every year. This Guidance also assumes that a group-wide stress test is required, which is not necessarily the case. We suggest amending this guidance as follows: "group-wide stress tests that the IAIG performed, if required".

139. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
140. American Property Casualty Insurance Association (APCI)	USA	No	This guidance assumes that a group-wide stress test is required, which is not necessarily the case. We suggest amending this guidance as follows: "...group-wide stress tests that the IAIG performed, if required."
Q20 Comment on ComFrame Guidance CF9.2.b.8			
141. Global Federation of Insurance Associations	Global	No	The discussion on macro-prudential analysis in this paragraph introduces a very broad concept, creating uncertainty as to what factors will be considered as relevant for the group-wide risk assessment. GFIA suggests replacing the phrase "macro-prudential analysis" with "macro-economic analysis" in both the title and the second sentence.
142. General Insurance Association of Japan	Japan	No	As insurers do not have settlement functions, their systemic risk is small compared to that of banks. Therefore, it would be an excessive requirement to require macro-prudential analysis for all IAIGs, including those that have not been designated as SIFIs. Such requirement should only be considered under a specified condition when concerns on their financial soundness arise, for example, when an IAIG's ICS ratio falls below a certain level, difficulties identified in the ORSA process, etc.
143. American Council of Life Insurers	Office of General Counsel	No	The phrase "macro-prudential analysis" should be replaced with "macro-economic analysis" in both the title and in the second sentence.
145. Association of British Insurers	United Kingdom	No	The discussion on macro-prudential analysis in this paragraph introduces a very broad concept, creating uncertainty as to what factors will be considered as relevant for the group-wide risk assessment.
146. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

147. American Property Casualty Insurance Association (APCI)	USA	No	The discussion on macro-prudential analysis in this paragraph introduces a very broad concept, creating uncertainty as to what factors will be considered as relevant for the group-wide risk assessment.
Q21 Comment on ComFrame Standard CF9.4.a			
148. Insurance Europe	Europe	No	Insurance Europe believes that a group-wide supervisor should be able to ask for additional reporting, however, this should always be justified and within the provisions foreseen.
149. German Insurance Association	Germany	No	GDV agrees that a group-wide supervisor should be able to ask for additional reporting; however, this should always be justified and within the provisions foreseen.
150. Global Federation of Insurance Associations	Global	No	<p>GFIA takes the view that the use of the term "requires" in this standard is inappropriate. While GFIA understands the IAIS expects its members to request IAIG's to report ICS 2.0 results on a confidential basis during the 2020-2024 monitoring period, it is up to the group-wide or lead supervisor of any IAIG to determine the appropriateness of any such reporting and to decide in accordance with and in the context of their respective legal jurisdictional frameworks whether reporting can be required as opposed to encouraged. In addition, a capital standard other than ICS 2.0 may apply in certain jurisdictions.</p> <p>Therefore, GFIA would suggest the following language instead: "All group-wide and lead supervisors are expected to engage with Heads of IAIGs in their jurisdiction to encourage reporting the reference ICS, or the calculation of the appropriate jurisdictional standard and the capital to meet such capital standard, and at the option of the group-wide or lead supervisor, any additional reporting."</p> <p>Secondly, it should be made more clear that the reporting referred to is that requested by the IAIS during the 2020-2024 monitoring period.</p> <p>Furthermore, while GFIA acknowledges that the IAIS is only requesting comments on the ComFrame portion of text, given that ComFrame Guidance must be read in the context of the underlying ICPs, GFIA would like to respectfully express the following concerns with regard to ICP 9.4.9:</p> <p>There is no generally applicable legal or regulatory requirement in the U.S. for external auditors to report directly to regulators. Therefore, GFIA suggests that the exchange of information between external auditor and supervisors referenced</p>

			<p>in several areas throughout the ICPs and related ComFrame provisions (e.g., ICPs 7.8.5 and 9.4.9) needs review and revision in line with current general practice. In many instances it would be inappropriate, if not a conflict of interest, for an external auditor engaged by the insurer to engage directly with the supervisor and/or for the group-wide supervisor to access work of an external auditor engaged by an insurer. External auditors' findings may be consulted during insurer examination but always in accordance with established protocols that may include insurer consent.</p> <p>The group-wide supervisor may not have authority over the external auditor. Instead of requiring the auditor to report to the group-wide supervisor if it suspects fraud or regulatory breaches, the external auditor should be required to report such findings to the IAIG's Board or Audit Committee, and the IAIG should be required to provide that report to the group-wide supervisor.</p>
151. Institute of International Finance	Global	No	<p>Although the ICS will ultimately become a component of ComFrame, it is still being developed as a separate standard, and will continue to be tested before any final decisions are made in terms of its implementation. As the standard is under development, it is premature to insert the ICS into supervisory college discussions and to include guidance related to ICS reporting in ComFrame. In particular, ComFrame 9.4.a provides that the group-wide supervisor would require the Head of the IAIG to report the reference ICS and, at the option of the group-wide supervisor, provide any additional reporting. ComFrame 25.6.c states that the members of the IAIG's supervisory college would discuss and assess a summary of the reference ICS prepared by the group-wide supervisor, as well as a summary of any additional reporting that has been reported at the option of the group-wide supervisor. Given that the ICS is not yet adopted or implemented, ComFrame guidance on reporting should be deferred and this section should be deleted until after the conclusion of the Monitoring Period. Please refer to our comment letter on the ICS, where we express our strongly held view that the ICS should only be reported to group-wide supervisors, and not to the entire supervisory college, during the Monitoring Period.</p>
152. American Council of Life Insurers	Office of General Counsel	No	<p>We believe that any guidance within ComFrame on the "reference ICS" is premature.</p> <p>The ICS 2.0 contains several unresolved issues and apparent placeholders—areas that need further assessment and policy evaluation. Given the number of unresolved issues and the inclusion of several new, untested items in the ICS, ideally the IAIS would consider delaying adoption until supervisors have had time to resolve the outstanding issues and thoroughly test new items. We recognize, however, that many IAIS supervisors consider themselves committed to adopting ICS 2.0. That is why we urge adding this sentence: "In the absence of any legal requirement applicable to the Head of the Group, the group-wide supervisor will discuss such reporting with the Head of the Group."</p> <p>In addition, while we realize that the IAIS is only requesting comments on the ComFrame portion of text, given that ComFrame guidance must be read in the context of the underlying ICPs, we would like to respectfully express the following concerns with regard to ICP 9.4.9:</p>

			<p>There is no generally applicable legal or regulatory requirement in the U.S. for external auditors to report directly to regulators. Therefore, we suggest that the exchange of information between external auditor and supervisors referenced in several areas throughout the ICPs and related ComFrame provisions (e.g., ICPs 7.8.5 and 9.4.9) needs review and revision in line with current general practice. In many instances it would be inappropriate, if not a conflict of interest, for an external auditor engaged by the insurer to engage directly with the supervisor and/or for the group-wide supervisor to access work of an external auditor engaged by an insurer. External auditors' findings may be consulted during insurer examination but always in accordance with established protocols that may include insurer consent.</p> <p>The group-wide supervisor may not have authority over the external auditor. Instead of requiring the auditor to report to the group-wide supervisor if it suspects fraud or regulatory breaches, the external auditor should be required to report such findings to the IAIG's Board or Audit Committee, and the IAIG should be required to provide that report to the group-wide supervisor.</p>
154. Association of British Insurers	United Kingdom	No	It is unclear how this Guidance applies where the ICS is not implemented in the jurisdiction of the Head of the IAIG.
155. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
156. Prudential Financial, Inc.	United States of America	No	The confidential nature of ICS reporting should be an express component of the standard not a component of guidance. The standard should be rewritten to read as follows - "The group-wide supervisor requires confidential reporting of the reference ICS and any alternative methods to an ICS they deem appropriate at the level of the Head of the IAIG."
157. American Property Casualty Insurance Association (APCI)	USA	No	<p>AIA believes the use of the term "requires" in this standard is inappropriate. While we understand the IAIS expects its members to request IAIGs to report ICS 2.0 results on a confidential basis during the 2020-2024 monitoring period, it is up to the group-wide or lead supervisor of any IAIG to determine the appropriateness of any such reporting and to decide in accordance with and in the context of their respective legal jurisdictional frameworks whether reporting can be required as opposed to encouraged. In addition, a capital standard other than ICS 2.0 may apply in certain jurisdictions.</p> <p>Therefore, we recommend replacing this Standard to say: "All group-wide and lead supervisors are expected to engage with Heads of IAIGs in their jurisdiction to encourage reporting the reference ICS, or the calculation of the appropriate jurisdictional standard and the capital to meet such capital standard, and at the option of the group-wide or lead supervisor, any additional reporting."</p>

			It should also be made more clear that the reporting referred to is that requested by the IAIS during the 2020-2024 monitoring period.
158. Liberty Mutual Insurance Group	USA	No	This provision states that the GWS must require the Head of the IAIG to report the reference ICS. These provisions ignore the fact that no U.S. supervisors have this direct power and that the IAIS has no power whatsoever to enforce this mandate. Also, this sort of directive by the IAIS to the home and host supervisors of a supervisory college as to how the supervisory college should be conducted flies in the face of other IAIS guidance (such as ICP 25, inter alia) which afford much more flexibility to each supervisory college to develop on its own how it should carry out its objectives.
159. Property Casualty Insurers Association of America (PCI)	USA	No	<p>We suggest that the use of the term "requires" in this standard is inappropriate. While we understand the IAIS expects its members to request IAIG's to report ICS 2.0 results on a confidential basis during the 2020-2024 monitoring period, it is up to the group-wide or lead supervisor of any IAIG to determine the appropriateness of any such reporting and to decide in accordance with and in the context of their respective legal jurisdictional frameworks whether reporting can be required as opposed to being encouraged.</p> <p>Therefore, we would suggest the following replacement wording: "All group-wide and lead supervisors are expected to engage with Heads of IAIGs in their jurisdiction to encourage reporting of the reference ICS, and at the option of the group-wide or lead supervisor, any additional reporting."</p> <p>Secondly, it should be made clearer that the reporting referred to is that requested by the IAIS during the 2020-2024 monitoring period.</p>
Q22 Comment on ComFrame Guidance CF9.4.a.1			
160. Insurance Europe	Europe	No	Insurance Europe supports the new Guidance.
161. Global Federation of Insurance Associations	Global	No	GFIA welcomes the explicit reference to confidentiality here.
163. Association of British Insurers	United Kingdom	No	The ABI welcomes the explicit reference to confidentiality in this Guidance.

164. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
165. Prudential Financial, Inc.	United States of America	No	As noted above, we believe the confidential nature of ICS reporting should be a component of the standard rather than guidance and following such change to CF 9.4.a this point of guidance should be deleted.
166. American Property Casualty Insurance Association (APCI)	USA	No	We welcome the explicit reference to confidentiality here.
167. MetLife, Inc	USA	No	<p>We suggest that the use of the term "requires" in this standard is inappropriate. While we understand the IAIS expects its members to request IAIG's to report ICS 2.0 results on a confidential basis during the 2020-2024 monitoring period, it is up to the group wide or lead supervisor of any IAIG to determine the appropriateness of any such reporting and to decide in accordance with and in the context of their respective legal jurisdictional frameworks whether reporting can be required as opposed to encouraged.</p> <p>Therefore we would suggest the following replacement wording:</p> <p>"All group-wide and lead supervisors are expected to engage with Heads of IAIGs in their jurisdiction to encourage reporting the reference ICS, and at the option of the group-wide or lead supervisor, any additional reporting."</p> <p>Secondly, it should be made more clear that the reporting referred to is that requested by the IAIS during the 2020-2024 monitoring period</p>
Q23 Comment on ComFrame Standard CF9.6.a			
168. Insurance Europe	Europe	No	Insurance Europe recommends amending this Standard to include a caveat, eg "The group-wide supervisor performs on-site inspections at the level of the Head of the IAIG, where necessary" to encourage a more proportionate approach to supervision.
169. Global Federation of	Global	No	GFIA notes that this Standard re-words the current Parameter M3E1-1-7 and now appears to require on-site inspections at the level of the Head of the IAIG.

Insurance Associations			GFIA recommends amending this Standard to include a caveat (e.g., "The group-wide supervisor performs on-site inspections at the level of the Head of the IAIG, where necessary") to encourage a more proportionate approach to supervision.
171. Association of British Insurers	United Kingdom	No	The ABI notes that this Standard re-words the current Parameter M3E1-1-7 and now appears to require on-site inspections at the level of the Head of the IAIG. We recommend amending this Standard to include a caveat to encourage a more proportionate approach to supervision: "The group-wide supervisor performs on-site inspections at the level of the Head of the IAIG, where necessary".
172. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
173. American Property Casualty Insurance Association (APCI)	USA	No	AIA notes that this Standard re-words the current Parameter M3E1-1-7 and now appears to require on-site inspections at the level of the Head of the IAIG. We recommend amending this Standard to include a caveat, e.g. "The group-wide supervisor performs on-site inspections at the level of the Head of the IAIG, where necessary" to encourage a more proportionate approach to supervision.
174. Liberty Mutual Insurance Group	USA	No	This provision requires the GWS to "perform on-site inspections at the level of the Head of the IAIG." U.S. insurance law allows for examinations of insurance companies (indeed, such examinations are required), but extending the authority to authorize these examinations to directly include non-insurance holding companies does not exist. As is the case with most of ComFrame, the IAIS offers no explanation as to why this power would advance any reasonable public policy objective.
Q24 Comment on ComFrame Guidance CF9.6.a.1			
176. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q25 Comment on ComFrame Guidance CF9.6.a.2			

178. Dirección General de Seguros y Fondos de Pensiones	Spain	No	We should need to take into account the " localization"of the functions performing. If this is linked to a particular regulated legal entity different of the Head of the IAIG, it's our understanding that the particular involved supervisor should need to be informed by the group- wide supervisor, including the possibility to attend to the contact kept. Taking into account the previous this particular Guidance should need of a review.
179. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q26 Comment on ComFrame Guidance CF9.6.a.3			
181. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q27 Comment on ComFrame Standard CF9.6.b			
182. Insurance Europe	Europe	No	The situations anticipated by this Standard, where the group-wide or other involved supervisors join the on-site inspections of an insurance legal entity, should be an exceptional situation. The local supervisor of the legal entity would normally have the appropriate knowledge and experience to inspect the legal entity effectively. The wording of this Standard should reflect this exceptional nature.
183. Global Federation of Insurance Associations	Global	No	GFIA considers that the situations anticipated by this Standard (where the group-wide or other involved supervisors join the on-site inspections of an insurance legal entity) would be an exceptional situation. The local supervisor of the legal entity would normally have the appropriate knowledge and experience to inspect the legal entity effectively. The wording of this Standard should reflect its exceptional nature.
184. General Insurance Association of Japan	Japan	No	Each supervisor conducts supervision within their jurisdiction based on their respective authorities. Supervisors also conduct group supervision through supervisory colleges in a coordinated manner. Under such premise, if a joint on-site inspection is conducted, it should be conducted very carefully so that involved supervisors will not take supervisory actions beyond their authorities in other jurisdictions.
186. Association of British Insurers	United Kingdom	No	The ABI considers that the situations anticipated by this Standard, where the group-wide or other involved supervisors join the on-site inspections of an insurance legal entity, would be an exceptional situation. The local supervisor of the legal entity would normally have the appropriate knowledge and experience to inspect the legal entity effectively. The wording of this Standard should reflect the exceptional nature of this.

187. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
188. American Property Casualty Insurance Association (APCI)	USA	No	AIA considers that the situations anticipated by this Standard (where the group-wide or other involved supervisors join the on-site inspections of an insurance legal entity) would be an exceptional situation. The local supervisor of the legal entity would normally have the appropriate knowledge and experience to inspect the legal entity effectively. This Standard should be amended to reflect its exceptional nature.
189. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	It is unclear under what circumstances a joint inspection would be expected. Due to the potential costs and myriad of challenges that would arise in conducting a joint inspection, if there is no additional guidance beyond "where appropriate" provided in this regard, we see limited value in having this as a standard. Therefore, suggest deletion.
Q28 Comment on ComFrame Guidance CF9.6.b.1			
190. General Insurance Association of Japan	Japan	No	We understood from the resolution of the previous consultation that this guidance will be deleted. We would like to learn the reason that this guidance still remains.
192. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q29 Comment on ComFrame Standard CF9.7.a			
194. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q30 General Comment on ComFrame in ICP 10			

195. Insurance Europe	Europe	No	<p>Insurance Europe generally supports the ComFrame material related to ICP 10 and the proposed revisions.</p> <p>Insurance Europe highlights that revisions to the text of ICP 10 are needed. Reference is made to the comments provided in response to the IAIS' consultations of ICP 9 from June 2017 (https://www.iaisweb.org/page/consultations/closed-consultations/2017/revision-of-icps-and-comframe/file/69931/icp-10-resolution-of-public-consultation-comments-stakeholders).</p> <p>In particular, on ICP10.4.4, Insurance Europe notes that it is the responsibility of the insurer to decide how to address significant concerns from the supervisor. If the supervisor requires a third-party to review an output coming from the insurer instead of conducting the review by itself, this should not be paid by the insurer. Furthermore, Insurance Europe notes that such independent reviews could also lead to confidentiality issues.</p>
196. Global Federation of Insurance Associations	Global	No	<p>GFIA strongly recommends that the ComFrame materials relating to ICP 10 serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. This material should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks.</p>
197. Institute of International Finance	Global	No	<p>As a general matter, we strongly recommend that ICP/ComFrame 10 sections serve as illustrative guidance, rather than prescriptive standards to allow for a wide range of effective supervisory approaches and regulatory frameworks. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks.</p>
198. American Council of Life Insurers	Office of General Counsel	No	<p>As a general matter, we strongly recommend that these sections serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks.</p>
200. Association of British Insurers	United Kingdom	No	<p>The supervisor, whether the group-wide supervisor or a relevant involved supervisor, cannot assert authority over the Head of the IAIG or a legal entity within the group unless the supervisor has legal jurisdiction over that entity. Similarly, the measures anticipated by ICP 10 can only be applied to an entity over which the supervisor has jurisdiction and where the entity has engaged in activity that attracts sanctions. The ComFrame material integrated with ICP 10 should be clear on this.</p>

201. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
202. Prudential Financial, Inc.	United States of America	No	While we recognize the value in and support robust communication among the group wide and host supervisors of an IAIG, we believe CF 10 and the standards within infringe on the autonomy of a home or host supervisor. Accordingly, we request the standard be modified to read as recommended below.
203. MetLife, Inc	USA	No	As a general matter, we strongly recommend that ICP/ComFrame 10 sections serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks. We comment to this effect on ICP/ComFrame Sections 9 and 25 also.
204. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI had previously commented as follows: "The ComFrame Standard should not refer to specific measures that the group-wide supervisor must be able to apply to the Head of the IAIG. Different jurisdictions have different statutory and regulatory powers, and this standard should be applied according to an outcomes-based analysis."</p> <p>The stated response by the IAIS seems to have missed the point.: "Supervisory measures, including those applied to regulated and nonregulated entities, will be imposed through the Head of the IAIG, over which the group-wide supervisor has either direct or indirect powers."</p> <p>A supervisor cannot impose anything to, on, or through the Head of an IAIG unless the supervisor has that authority in the form of direct powers. We observe that the text clarifies that indirect powers apply where a group-wide supervisor does not have authority over the Head of an IAIG because that entity is located in another jurisdiction, indicating that the GWS would seek the aid of the supervisor in that country to apply their direct powers. But the text does not recognize the state-based system in the U.S.</p> <p>Thus, PCI believes that the text remains overly prescriptive and without an sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise the text of this standard remains overly prescriptive.</p>

			As a general matter, we strongly recommend that ICP 10/ComFrame sections serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks. We comment to this effect on ICP/ComFrame Sections 9 and 25 also.
Q31 Comment on ComFrame Standard CF10.0.a			
205. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
206. Global Federation of Insurance Associations	Global	No	GFIA welcomes the amendment to this Standard recognising that ComFrame must be implemented within the existing legal structures of the jurisdictions in which the IAIG operates.
207. AIA Group	Hong Kong	No	As with other ICPs, our view is that requirements under ICP 10 should be applied in relation to the nature, scale and complexity of the IAIG. In particular, our view is that any corrective measures or sanctions should only be made in accordance with the authority provided under local laws and regulations.
209. Association of British Insurers	United Kingdom	No	The ABI welcomes the amendment to this Standard to reflect the fact that ComFrame must be implemented within the existing legal structure of jurisdictions in which the IAIG operates.
210. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
211. Prudential Financial, Inc.	United States of America	No	As noted above, we request the standard be modified to read as follows - "Where appropriate, the group-wide supervisor applies supervisory measures directly to the Head of the IAIG. If the Head of the IAIG is not within the group-wide supervisor's jurisdiction, the group-wide supervisor should seek assistance from the host supervisor to accomplish its objective."
212. American Property	USA	No	AIA welcomes the amendment to this Standard recognising that ComFrame must be implemented within the existing legal structure of jurisdictions in which the IAIG operates.

Casualty Insurance Association (APCI)			
213. Liberty Mutual Insurance Group	USA	No	This section of ComFrame contains many provisions which assume the GWS of an IAIG has much more actual direct authority over the Head of an IAIG (which is not a statutory insurance company) than currently exists under U.S. insurance law. For the most part, the ability of U.S. supervisors to impact the Head of an IAIG is indirect and tied to the ability of supervisors to limit dividends, call for additional capital, or in more extreme circumstances place an insurer into administrative supervision or even restrict an insurer's license. This type of authority often, if not always, results in a reaction by the Head of the Group, usually in a way that addresses a supervisor's concern. However, the supervisor cannot directly mandate the Head of the Group respond to such issues. We note CF 10.0.a and CF 10.6.a. as particularly problematic in this regard.
Q32 Comment on ComFrame Guidance CF10.0.a.1			
214. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
215. Global Federation of Insurance Associations	Global	No	GFIA welcomes the recognition that the group-wide supervisor's ability to apply supervisory measures may need to vary according to legal structure, jurisdiction and supervisory authority.
217. Association of British Insurers	United Kingdom	No	The ABI welcomes the recognition that the group-wide supervisor's ability to apply supervisory measures may need to vary according to the legal structure, jurisdiction, and supervisory authority.
218. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q33 Comment on ComFrame Guidance CF10.0.a.2			
219. Insurance Europe	Europe	No	Insurance Europe supports Guidance CF10.0.a.2; however, it should be clarified what "indirect powers" are.

221. Association of British Insurers	United Kingdom	No	This Guidance states that, if the Head of the IAIG is not located in the jurisdiction of the group-wide supervisor, the group-wide supervisor should use indirect powers to apply supervisory measures. This Guidance should provide more clarity as to what these "indirect powers" are.
222. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q34 Comment on ComFrame Guidance CF10.0.a.3			
223. Insurance Europe	Europe	No	Insurance Europe supports the new Guidance.
225. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
226. Prudential Financial, Inc.	United States of America	No	As noted above, we request the standard be modified to read as follows - "Other involved supervisors should consider the appropriateness of the group-wide supervisors request to apply supervisory measures to the Head of the IAIG or to insurance legal entities they oversee and respond as they deem appropriate."
Q35 Comment on ComFrame Standard CF10.0.b			
227. AIA Group	Hong Kong	No	Our view is that there should not be additional prescriptive measures if an IAIG meets its regulatory requirements. For example, where every regulated entity in the IAIG meets its capital standard and the group capital requirement, any measures applied by supervisors against the IAIG must be in accordance with local laws and regulations.
229. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
230. Prudential Financial, Inc.	United States of America	No	As noted above, we request the standard be modified to read as follows - "An involved supervisor coordinates with other involved supervisors before requiring a specific preventive or corrective measure if that measure will have a material effect on the supervision of the IAIG as a whole, or on the supervision of another insurance legal entity within the IAIG, unless exceptional circumstances preclude such coordination."
Q36 Comment on ComFrame Guidance CF10.0.b.1			

231. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
232. Global Federation of Insurance Associations	Global	No	GFIA welcomes the added cross-reference to the ComFrame material in ICP 25.
234. Association of British Insurers	United Kingdom	No	The ABI welcomes the cross-reference to the ComFrame material in ICP 25.
235. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
236. American Property Casualty Insurance Association (APCI)	USA	No	AIA welcomes the added cross-reference to the ComFrame material in ICP 25.
Q37 Comment on ComFrame Guidance CF10.0.b.2			
238. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
239. Prudential Financial, Inc.	United States of America	No	As noted above, we request the standard be modified to read as follows - "Supervisory measures that may merit advanced coordination between involved supervisors include: restricting the transfer of assets between entities within the IAIG; requiring an increase in capital; and suspending or revoking the licence of an insurance legal entity."
Q38 Comment on ComFrame Guidance CF10.0.b.3			
240. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.

242. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
243. Prudential Financial, Inc.	United States of America	No	As noted above, we request the standard be modified to read as follows - "There may be exceptional circumstances where an involved supervisor that wishes to act cannot coordinate a material decision or action in advance with the other involved supervisors. In such circumstances, the involved supervisor should inform the other involved supervisors of the decision made, or action taken, and the supporting rationale, as soon as possible."
Q39 Comment on ComFrame Guidance CF10.0.b.4			
244. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
246. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q40 Comment on ComFrame Guidance CF10.0.b.5			
248. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q41 Comment on ComFrame Guidance CF10.0.b.6			
250. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q42 Comment on ComFrame Standard CF10.2.a			
251. Insurance Europe	Europe	No	Insurance Europe believes that the empowerment of the group-wide supervisor to require measures affecting legal entities directly to be taken, inappropriately interferes with the responsibilities of the supervisor of the legal entity. The clarification made in CF 10.2.a.2 should be moved up at Standard level to avoid such conflicts.

			The terms "likely [...] inconsistent with any relevant regulatory requirements" lack legal certainty. Supervisors should only take action where objective grounds call for such and not based on "likely infringements".
252. German Insurance Association	Germany	No	<p>GDV believes that the empowerment of the group-wide supervisor to require measures affecting legal entities directly to be taken inappropriately interferes with the responsibilities of the supervisor of the legal entity. The clarification made in CF 10.2.a.2 should be moved up at Standard level to avoid such conflicts.</p> <p>The phrase "likely [...] inconsistent with any relevant regulatory requirements" lacks of legal certainty. Supervisors should only take action where objective grounds call for such and not based on "likely infringements".</p>
253. Global Federation of Insurance Associations	Global	No	<p>GFIA disagrees with empowering the group-wide supervisor to require measures affecting legal entities directly. This inappropriately interferes with the responsibilities of the supervisor of the legal entity. The clarification made in CF 10.2.a.2 should be moved up to the Standard level to avoid such conflicts.</p> <p>Additionally, the phrase "likely [...] inconsistent with any relevant regulatory requirements" lacks legal certainty. Supervisors should only take action where objective grounds call for such and not based on "likely" infringements.</p>
254. AIA Group	Hong Kong	No	<p>Please note that an IAIG can be technically considered to operate in a manner that is inconsistent with regulatory requirement if it exceeds the normal regulatory requirements. As such, a clarification should be made on the use of the word "inconsistent" given it is currently not necessary for such inconsistency to have a "material adverse effect" on the IAIG. In other words if an IAIG operates in an inconsistent manner with regulatory requirements, preventive measures should only be required if the inconsistency has a material adverse effect on the IAIG.</p> <p>Any decisions or assessments made by supervisors that an IAIG is operating inconsistent with any relevant regulatory requirements which would have a material adverse effect on the IAIG should be made under a transparent process in regards to the IAIG and the IAIG should have an opportunity to make submissions as relevant to the supervisors. Under such processes, an appeal mechanism for review should be made available.</p>
255. General Insurance Association of Japan	Japan	No	The phrase "likely to" can be interpreted to mean that the group-wide supervisor takes measures in an arbitrary manner. To eliminate such concerns, we propose to revise the preceding sentence as follows: "The group-wide supervisor, subject to accountability requirements, requires the Head of the IAIG to take preventive measures if:".
257. Swiss Re	Switzerland	No	While we fully support the objective of protecting policyholder interests, interventions by the supervisor should be substantiated and based on an analysis. In situations where supervisors operate on an "impression", insurers should not be subject to regulatory intervention. We suggest to replace the bullet points with the following:

			<p>- the group-wide supervisor's analysis of information reported by the IAIG substantiates the impression that a legal entity within the IAIG operates in a manner...</p> <p>- the IAIG as a whole has been determined to operate in manner that is inconsistent with regulatory requirements, based on analytical findings...</p> <p>Note, the sub bullet points are valid and can remain unchanged.</p>
258. Association of British Insurers	United Kingdom	No	<p>The empowerment of the group-wide supervisor to require measures affecting legal entities directly to be taken, interferes with the responsibilities of the supervisor of the legal entity. The clarification made in CF10.2.a.2 should be moved up to Standard level to avoid such conflicts.</p> <p>The term "likely [...] inconsistent with any relevant regulatory requirements" lacks legal certainty. Supervisors should only take action where objective grounds call for such and not based on "likely infringements".</p>
259. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
260. Prudential Financial, Inc.	United States of America	No	<p>We believe this standard should be combined with CF 10.5.a as the first step the group-wide supervisor should take is to understand if the legal entity supervisor is already taking action the results of any actions taken. In instances where the legal entity fails to respond appropriately, the actions outlined in CF 10.5.b would then be appropriate. 10.5.a should be rewritten to read as follows - "The group-wide supervisor coordinates with other involved supervisors if the Head of the IAIG, or an insurance legal entity within the IAIG:</p> <ul style="list-style-type: none"> + Seems likely to operate in a manner that is inconsistent with relevant regulatory requirements; + Seems likely to operate in a manner that would have a material adverse effect on the IAIG as a whole; or + Fails to take action to address the group-wide supervisor's, or other involved supervisor's, identified concerns." <p>Following this change, standard CF10.2.a and the related guidance should be deleted.</p>
261. American Property Casualty Insurance	USA	No	AIA disagrees with empowering the group-wide supervisor to require measures affecting legal entities directly. This inappropriately interferes with the responsibilities of the supervisor of the legal entity. The clarification made in CF 10.2.a.2 should be moved up to the Standard level.

Association (APCI)			
262. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Given the guidance in CF 10.2.a.1 and 10.2.a.2, the first bullet needs to be revised as it suggests taking preventive measures at a legal entity level is primarily the responsibility of the Head of the IAIG, when this is the job of the relevant supervisor. The emphasis here should be the role of the Head of the IAIG when one of its legal entities is not taking the preventive measures required by the relevant supervisor.
Q43 Comment on ComFrame Guidance CF10.2.a.1			
264. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
265. Prudential Financial, Inc.	United States of America	No	Please refer to our comments on CF10.2.a.
Q44 Comment on ComFrame Guidance CF10.2.a.2			
266. Insurance Europe	Europe	No	Please refer to comment made on CF10.2.a.
267. German Insurance Association	Germany	No	Please refer to comment made on CF10.2.a.
268. Global Federation of Insurance Associations	Global	No	Please refer to comment made on CF10.2.a.
270. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

271. Prudential Financial, Inc.	United States of America	No	Please refer to our comments on CF10.2.a.
272. American Property Casualty Insurance Association (APCI)	USA	No	This Guidance should be moved up to Standard CF 10.2.a
Q45 Comment on ComFrame Guidance CF10.2.a.3			
274. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
275. Prudential Financial, Inc.	United States of America	No	Please refer to our comments on CF10.2.a.
Q46 Comment on ComFrame Standard CF10.5.a			
276. AIA Group	Hong Kong	No	Any decisions or assessments made by supervisors that an IAIG is operating inconsistent with any relevant regulatory requirements which would have a material adverse effect on the IAIG should be made under a transparent process in regards to the IAIG and the IAIG should have an opportunity to make submissions as relevant to the supervisors. Under such processes, an appeal mechanism for review should be made available.
278. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
279. Prudential Financial, Inc.	United States of America	No	We believe standard CF10.2.a should be combined with this standard and be rewritten as follows - "The group-wide supervisor coordinates with other involved supervisors if the Head of the IAIG, or an insurance legal entity within the IAIG: + Seems likely to operate in a manner that is inconsistent with relevant regulatory requirements; + Seems likely to operate in a manner that would have a material adverse effect on the IAIG as a whole; or

			+ Fails to take action to address the group-wide supervisor's, or other involved supervisor's, identified concerns." Following this change, standard CF10.2.a and the related guidance should be deleted.
Q47 Comment on ComFrame Standard CF10.5.b			
280. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
281. AIA Group	Hong Kong	No	Any decisions or assessments made by supervisors that an IAIG is operating inconsistent with any relevant regulatory requirements which would have a material adverse effect on the IAIG should be made under a transparent process in regards to the IAIG and the IAIG should have an opportunity to make submissions as relevant to the supervisors. Under such processes, an appeal mechanism for review should be made available.
283. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q48 Comment on ComFrame Standard CF10.6.a			
284. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
285. Global Federation of Insurance Associations	Global	No	When suggesting the imposition of penalties and sanctions, there should be more definitive criteria than the vague phrase "where appropriate". Actions of an affiliate should not trigger a sanction on the Head of the IAIG; this raises due process concerns. The imposition of sanctions must be proportionate.
286. Institute of International Finance	Global	No	in CF 10.6.a: "Where appropriate, the group-wide supervisor imposes sanctions directly on the Head of the IAIG within the group-wide supervisor's jurisdiction." We would like to point out that in some jurisdictions, the group-wide supervisor cannot impose sanctions but has to refer violations of regulations to another authority. it would help if the IAIS referred to actual variations in the sanctioning process.
287. AIA Group	Hong Kong	No	Any decisions or assessments made by supervisors that an IAIG is operating inconsistent with any relevant regulatory requirements which would have a material adverse effect on the IAIG should be made under a transparent process in regards to the IAIG and the IAIG should have an opportunity to make submissions as relevant to the supervisors. Under such processes, an appeal mechanism for review should be made available.

289. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
290. American Property Casualty Insurance Association (APCI)	USA	No	When suggesting the imposition of penalties and sanctions, there should be more definitive criteria than the vague phrase "where appropriate". Actions of an affiliate should not trigger a sanction on the Head of the IAIG; this raises due process concerns. The imposition of sanctions must be proportionate.
291. Liberty Mutual Insurance Group	USA	No	CF 10.6.a provides that the GWS must have authority to sanction a non-insurance ultimate controlling person of an insurance company, including by imposing fines. Under current law, the authority to do this in the U.S. is very limited to serious violations of the insurance holding company system act. Proposing that the power to sanction be expanded in this way is likely not feasible in many jurisdiction and certainly not in the U.S.
Q49 Comment on ComFrame Guidance CF10.6.a.1			
292. Insurance Europe	Europe	No	Insurance Europe emphasises that the following terms "the imposition of fines and penalties (even if non-compliance is due to the actions of a legal entity within the IAIG)" will not find a legal basis in several jurisdictions. Therefore, Insurance Europe believes this part should be deleted.
293. German Insurance Association	Germany	No	We do not see any legal basis in Germany. It is the responsibility of the local Board to manage all businesses of the local insurer, but not the responsibility of the Board of the IAIG Head. Supervisory sanctions must be limited to sanctions against the locally responsible persons. Therefore, we would recommend deleting this section.
294. Global Federation of Insurance Associations	Global	No	GFIA emphasises that the phrase "the imposition of fines and penalties (even if non-compliance is due to the actions of a legal entity within the IAIG)" will not find a legal basis in several jurisdictions. Therefore, GFIA takes the view that this part should be deleted.
296. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q50 Comment on ComFrame Guidance CF10.6.a.2			

297. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
299. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q51 Comment on ComFrame Guidance CF10.6.a.3			
300. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions. However, the Guidance should clarify what the "indirect powers" are.
302. Association of British Insurers	United Kingdom	No	The ABI asks that this Guidance clarifies the "indirect powers" the group-wide supervisor should use against the Head of an IAIG not located in its jurisdiction.
303. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q52 Comment on ComFrame Standard CF10.6.b			
304. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions. However, Insurance Europe notes that in case of sanctioning, if deemed appropriate, coordination should take place.
305. Institute of International Finance	Global	No	CF 10.6.b: We would like to request for an official definition of "material effect on the supervision of the IAIG".
306. AIA Group	Hong Kong	No	Any decisions or assessments made by supervisors that an IAIG is operating inconsistent with any relevant regulatory requirements which would have a material adverse effect on the IAIG should be made under a transparent process in regards to the IAIG and the IAIG should have an opportunity to make submissions as relevant to the supervisors. Under such processes, an appeal mechanism for review should be made available.
307. American Council of Life Insurers	Office of General Counsel	No	It is not at all clear to us what is meant in practice by the use of indirect powers to impose sanctions.

309. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q53 Comment on ComFrame Guidance CF10.6.b.1			
310. Canadian Institute of Actuaries	Canada	No	Paragraph reference should be CF 10.6.b.1. Edits are OK.
311. Insurance Europe	Europe	No	Insurance Europe notes that the numbering of CF10.6.b.1 is not correct, it is currently labelled as CF10.6.a.1. Please refer to response to Q52 (Standard CF10.6.b)
313. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

ComFrame in ICP 12

Organisation	Jurisdiction	Confidential	Answer
Q1 General Comment on ComFrame in ICP 12			
1. Assuris	Canada	No	<p>Thank you for the opportunity to provide feedback in response to the International Association of Insurance Supervisors' consultative document on the ComFrame material in ICP 12 Exit from the Market and Resolution.</p> <p>Assuris is designated in legislation as the Policyholder Protection Scheme (PPS) for life insurance by both the Federal and Quebec governments. Assuris is also designated, under either legislation or regulation, as the policyholder protection scheme for life insurance in every other province and territories in Canada. Assuris was an active participant in the resolution of four life insurer insolvencies. Assuris has provided funding to the failed insurer to ensure policyholder benefits were protected during the insolvency. In addition, Assuris has used its bridge institution to facilitate the transfer of assets</p>

			<p>and liabilities from the insolvent insurer.</p> <p>We are pleased at the on-going work completed on ICP 12 and ComFrame. Assuris strongly supports the focus on policyholder protection and the important role played by the PPS in providing this protection in resolution and in maintaining confidence in the insurance sector. In considering the effective resolution of an insurer, Assuris strongly supports:</p> <ul style="list-style-type: none"> - the definition of multiple resolution authorities - It is important to note that at different stages of recovery and resolution, different relevant authorities may take the lead to coordinate a successful resolution. Close cooperation and coordination between the supervisors, resolution authorities and the PPS is essential to ensure an effective resolution of an insurer. - the need for key risk information - Key risk information is critical for resolution planning and assessing resolvability. Key risk information should be provided routinely by all insurers while they are solvent as part of their regulatory filing. - that resolutions plans are not required for all insurers - Resolution plans should only be required if the there are significant resolvability concerns. - that PPSs should be consulted as they have resolution experience and expertise - PPSs, as a relevant authority, can significantly contribute in developing resolution strategies, assessing resolvability and resolution planning.
2. Insurance Europe	Europe	No	<p>Insurance Europe highlights that revisions to the text of ICP 12 are needed. Reference is made to the comments provided in response to the IAIS' consultations of ICP 12 from June 2017 (https://www.iaisweb.org/page/consultations/closed-consultations/2017/revision-of-icps-and-comframe/file/69926/icp-12-resolution-of-public-consultation-members-comments).</p> <p>In particular, ICP 12.6.1 should be amended: "The insurance legal entity is in breach of a minimum capital requirement (MCR) defined by local in force regulations". There is no regulatory reference for the MCR in ICP12 from IAIS (ICP 12.6.1, page 103). As the MCR is the main trigger for entry into resolution, it is absolutely necessary to mention the regulatory reference for this MCR. For European insurers subject to the Solvency II regulation, the MCR should be explicitly the one from Solvency II.</p> <p>In addition, Insurance Europe would stress that to avoid unnecessary duplication and overlap host supervisors and/or resolution authorities should not require separate resolution plans where a group resolution plan exists that covers material entities within the group. Host supervisors and/or resolution authorities having their own plans is inconsistent with the desire for group planning and supervisory coordination and cooperation set out in CF 12.3a.2, and would introduce added cost and complexity. Insurance Europe suggests that this Guidance is amended to make it clear that host supervisors and/or resolution authorities should not develop separate plans where group plans exist.</p>

<p>3. Global Federation of Insurance Associations</p>	<p>Global</p>	<p>No</p>	<p>GFIA highlights that revisions to the text of ICP 12 are needed. Reference is made to the comments provided in response to the IAIS' consultations of ICP 12 from June 2017.</p> <p>In particular, ICP 12.6.1 should be amended: "The insurance legal entity is in breach of a minimum capital requirement (MCR) defined by local in force regulations". There is no regulatory reference for the MCR in ICP12 from IAIS (ICP 12.6.1, page 103). As the MCR is the main trigger for entry into resolution, it is absolutely necessary to mention the regulatory reference for this MCR.</p> <p>GFIA is of the view that ComFrame elements should serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested resolution and supervisory regimes. Moreover, ComFrame and the ICPs should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory and resolution frameworks.</p> <p>GFIA urges against the creation of a special resolution regime to a select group of insurers due to their size, scope or complexity. Given the nature, tenor and design of traditional life insurance products, portfolio transfers and run-offs are generally sufficient to deal with the vast majority of insurance failures. Unlike bank liabilities, which are short-term in nature and payable on demand, life insurance policyholders pay premiums upfront and contractual payments are generally made only if and when an insured event has occurred. Furthermore, typical insurance policies and other products are generally either not surrenderable or contain terms, like surrender charges and tax penalties and other protective product features which create powerful disincentives to surrender or early withdrawal. This meaningfully reduces the likelihood of a "run" on an insurer, obviating the need for a bank-style emergency recapitalisation or bail-in resolution strategy.</p> <p>Finally, traditional life insurers do not provide critical functions and the typical products they issue--life insurance, annuities, retirement plans, and disability insurance--are highly substitutable and offered by multiple industry competitors. For these reasons, among others, systemic impact from the failure of a life insurer is exceedingly rare.</p> <p>In addition, GFIA would stress that to avoid unnecessary duplication and overlap host supervisors and/or resolution authorities should not require separate resolution plans where a group resolution plan exists that covers material entities within the group. Host supervisors and/or resolution authorities having their own plans is inconsistent with the desire for group planning and supervisory coordination and cooperation set out in CF 12.3a.2, and would introduce added cost and complexity. GFIA suggests that this Guidance is amended to make it clear that host supervisors and/or resolution authorities should not develop separate plans where group plans exist.</p>
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4. Institute of International Finance	Global	No	<p>In line with our comments on earlier consultations, we would like to reemphasize that the resolution of an insurance firm differs significantly from the resolution of a banking organization in many key aspects. Of particular note, insurers do not perform the same critical functions as banking organizations, are far less susceptible than banks to deposit "runs," have greater liquidity buffers, and insurance supervisors have a longer time period and a wider range of tools to effect a successful resolution (e.g. through run off) compared to banking supervisors.</p> <p>We believe that where existing insurance resolution regimes can provide for the orderly satisfaction of inforce liabilities over an extended period of time, advance resolution planning is neither necessary nor cost effective. When determining whether resolution plans are necessary for IAIGs we ask that the authorities reference all six factors outlined in CF 12.3.a.1 equally. This would ensure that all factors are viewed as important for a group-wide supervisor and/or resolution authority and IAIG Crisis Management Group to consider when determining if a resolution plan is needed and/or the degree of planning required. The IIF and GA also believes it is critical to include the consideration of an additional factor: an analysis of an IAIG's vulnerability to significant financial distress.</p>
5. International Forum of Insurance Guarantee Schemes	Global	No	<p>We use the term "policyholder protection scheme" or "PPS" throughout our comments to be consistent with the current terminology of ComFrame. Consider, however, separately identifying and using the terms "policyholder protection scheme" and "insurance guarantee scheme." "Policyholder protection scheme" may refer to the various tools designed to protect policyholders in the event of an insurer's financial distress or failure (e.g. guarantee funds, tied assets, etc.). "Insurance guarantee scheme" generally refers to an organization or supervisory arm with responsibilities for protecting policyholders (through payment of claims, portfolio transfer, etc.) in the event of an insurer's financial distress or failure.</p>
6. American Council of Life Insurers	Office of General Counsel	No	<p>General Comments:</p> <p>As a general matter, we strongly recommend that Insurance Core Principles (ICPs) relating to resolution and resolution/recovery planning, and other international resolution standards, including the Key Attributes of Effective Resolution Regimes (KAs), serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested resolution and supervisory regimes (such as the U.S. state insurance supervision and insolvency systems), and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. Moreover, the ICPs and KAs should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory and resolution frameworks.</p> <p>We also continue to urge against the creation of a special resolution regime to a select group of insurers due to their size, scope or complexity. The U.S. state-based insurance supervision and resolution regimes, together with U.S. bankruptcy laws and federal bankruptcy courts, provide regulators and courts all of the tools necessary to resolve an IAIG's U.S. operations in an orderly fashion, without significant impact to the global financial system or the economies in the jurisdictions</p>

			<p>in which they operate. Given the nature, tenor and design of traditional life insurance products, portfolio transfers and run-offs are generally sufficient to deal with the vast majority of insurance failures. Unlike bank liabilities, which are short-term in nature and payable on demand, life insurance policyholders pay premiums upfront and contractual payments are generally made only if and when an insured event has occurred. Further, typical insurance policies and other products are generally either not surrenderable or contain terms, like surrender charges and tax penalties, which create powerful disincentives to surrender or early withdrawal. This meaningfully reduces the likelihood of a "run" on an insurer, obviating the need for a bank-style emergency recapitalization or bail-in resolution strategy.</p> <p>Finally, traditional life insurers do not provide critical functions and the typical products they issue--life insurance, annuities, retirement plans, and disability insurance--are highly substitutable and offered by multiple industry competitors. For these reasons, among others, systemic impact from the failure of a life insurer is exceedingly rare. Indeed, systemic impact would likely arise only when a life insurer engages in activities other than insurance.</p>
7. Association of British Insurers	United Kingdom	No	<p>The ABI would stress that to avoid unnecessary duplication and overlap, host supervisors and/or resolution authorities should not require separate resolution plans where a group resolution plan exists that covers material entities within the group. Host supervisors and/or resolution authorities having their own plans is inconsistent with the desire for group planning and supervisory coordination and cooperation set out in CF12.3a.2, and would introduce added cost and complexity. We suggest that this Guidance is amended to make it clear that host supervisors and/or resolution authorities should not develop separate plans where group plans exist.</p>
8. Cincinnati Insurance Company	United States of America	No	<p>[1] The IAIS is seeking feedback on the draft overall Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) through public consultation. The overall ComFrame includes the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5 (Suitability of Persons); ICP 7 (Corporate Governance); ICP 8 (Risk Management and Internal Controls); ICP 9 (Supervisory Review and Reporting); ICP 10 (Preventive Measures, Corrective Measures and Sanctions); ICP 12 (Exit from the Market and Resolution); ICP 15 (Investments); ICP 16 (Enterprise Risk Management for Solvency Purposes); ICP 23 (Group-wide Supervision); ICP 25 (Supervisory Cooperation and Coordination). [2] As we have stated many times in similar sets of consultation comments, our company does not believe that the world needs a set of Insurance Core Principles (ICPs), either as a standalone regulatory code or one enhanced and amplified for IAIGs under ComFrame. We also object to the program under which the International Monetary Fund (IMF) grades the U.S. insurance regulatory system on its compliance with the ICPs. [3] The core principles upon which the U.S. insurance regulatory system is premised have functioned perfectly for over 150 years and do not need an overhaul by the International Association of Insurance Supervisors (IAIS) or by its ostensible parent organization, the Financial Stability Board (FSB). [4] Therefore, we object to the overall ComFrame, including the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25. There is no need for the IAIS to promulgate an international insurance code on the topics addressed by ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25, or</p>

			to otherwise claim authority to regulate in these areas. The U.S. and other regulatory regimes are capable of regulating in these areas on their own without interference by the IAIS.
9. MetLife, Inc	USA	No	<p>As a general matter, we strongly recommend that Insurance Core Principles (ICPs) relating to resolution and resolution/recovery planning, and other international resolution standards, including the Key Attributes of Effective Resolution Regimes (KAs), serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested resolution and supervisory regimes (such as the US State Insurance supervision and insolvency systems), and the potential disruption of well-developed insurance markets without commensurate benefits to policyholders or global financial stability. Moreover, ComFrame and the ICPs should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory and resolution frameworks.</p> <p>We also continue to urge against the creation of a special resolution regime to a select group of insurers due to their size, scope or complexity. The US state-based insurance supervision and resolution regimes, together with US bankruptcy laws and federal bankruptcy courts, provide regulators and courts all of the tools necessary to resolve an IAIG's US operations in an orderly fashion, without significant impact to the global financial system or the economies in the jurisdictions in which they operate. Given the nature, tenor and design of traditional life insurance products, portfolio transfers and run-offs are generally sufficient to deal with the vast majority of insurance failures. Unlike bank liabilities, which are short-term in nature and payable on demand, life insurance policyholders pay premiums upfront and contractual payments are generally made only if an when an insured event has occurred. Further, typical insurance policies and other products are generally either not surrenderable on demand, or contain terms, like surrender charges and tax penalties, which create powerful disincentives to surrender or early withdrawal. This meaningfully reduces the likelihood of a "run" on an insurer, obviating the need for a bank-style emergency recapitalization or bail-in resolution strategy.</p> <p>Finally, traditional life insurers do not provide critical functions and the typical products they issue--life insurance, annuities, retirement plans, and disability insurance--are highly substitutable and offered by multiple industry competitors. For these reasons, among others, systemic impact from the failure of a life insurer is exceedingly rare. Indeed, systemic impact would likely arise only when a life insurer engages in activities other than insurance.</p> <p>Current ComFrame Guidance at CF 12.3.a recommends that resolution plans are required at group-wide supervisor/appropriate authority and Crisis Management Group discretion. Comments made by IAIS members at the September 12, 2018 Recovery Planning and Resolution Stakeholder Meeting highlighted a preference for advance resolution planning prior to a triggering event in certain circumstances, and we wish to strongly disagree with this preference. We underscore here that insurers very rarely fail rapidly in a disorderly manner. Life insurance groups:</p> <ul style="list-style-type: none"> - Do not perform Critical Operations;

			<ul style="list-style-type: none"> - Are far less susceptible than banks to "runs" and have greater liquidity buffers; and - Have limited interconnection to each other. <p>It is our belief that existing insurance resolution regimes can and will provide for the orderly satisfaction of inforce liabilities over an extended period of time and that advance resolution planning is neither necessary nor cost effective. We would recommend that guidance further stipulate that requirements for resolution planning be subject to pre-agreed and transparent triggers that could be included in and be consistent with regulatory action and intervention models.</p>
10. Property Casualty Insurers Association of America (PCI)	USA	No	<p>As a general matter, we strongly recommend that ComFrame and the ICPs relating to resolution and resolution/recovery planning, and other international resolution standards, including the Key Attributes of Effective Resolution Regimes (KAs), serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested resolution and supervisory regimes (such as the US state Insurance supervision and insolvency systems), and the potential disruption of well-developed insurance markets without commensurate benefits to policyholders or global financial stability. Moreover, ComFrame and the ICPs should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory and resolution frameworks.</p> <p>We also continue to urge against the creation of a special resolution regime to a select group of insurers due to their size, scope or complexity. The US state-based insurance supervision and resolution regimes, together with US bankruptcy laws and federal bankruptcy courts, provide regulators and courts all of the tools necessary to resolve an IAIG's US operations in an orderly fashion, without significant impact to the global financial system or the economies in the jurisdictions in which they operate. Unlike bank liabilities, which are short-term in nature and payable on demand, insurance policyholders pay premiums upfront and contractual payments are made only when an insured event has occurred. This eliminates the likelihood of a "run" on a non-life insurer, obviating the need for a bank-style emergency recapitalization or bail-in resolution strategy.</p> <p>Finally, non-life insurers do not provide critical functions and the typical products they issue are highly substitutable and offered by multiple industry competitors. For these reasons, among others, systemic impact from the failure of a non-life insurer is exceedingly rare. Indeed, systemic impact would likely arise only when a non-life insurer engages in activities other than insurance.</p> <p>Current ComFrame Guidance at CF 12.3.a recommends that resolution plans are required at group-wide supervisor/appropriate authority and Crisis Management Group Discretion. Comments made by IAIS members at the September 12, 2018 Recovery Planning and Resolution Stakeholder Meeting highlighted a preference for advance resolution planning prior to a triggering event in certain circumstances, and we wish to strongly disagree with this</p>

			<p>preference. We underscore here that insurers very rarely fail rapidly in a disorderly manner. Insurance groups:</p> <ul style="list-style-type: none"> - do not perform critical operations; - are far less susceptible than banks to "runs" and have greater liquidity buffers; and - have limited interconnection to each other. <p>It is our belief that existing insurance resolution regimes can and will provide for the orderly satisfaction of inforce liabilities over an extended period of time and that advance resolution planning is neither necessary nor cost effective. We would recommend that guidance further stipulate that requirements for resolution planning be subject to pre-agreed and transparent triggers that could be included in and be consistent with regulatory action and intervention models.</p>
Q2 Comment on ComFrame Guidance CF12.2.a.1			
11. Insurance Europe	Europe	No	<p>The objectives of the resolution of insurers should be clear. This is currently not the case in CF12.2a.1, which states that a jurisdiction may choose to rank resolution objectives (policyholder protection and financial stability) at its discretion. It is not clear what is intended by this.</p> <p>On one reading, this suggests different IAIGs could have different resolution objectives in a single jurisdiction. In Insurance Europe's view, resolution objectives should not explicitly differ between insurers in a jurisdiction because the interests of various stakeholders in a resolution process should be protected in the same way. In practice, some objectives may be more relevant than others (depending on the circumstances of the IAIG).</p> <p>On another reading, the wording in CF12.2a.1 could suggest that the same IAIG could have different resolution objectives over time, or that different jurisdictions could have different objectives for a single IAIG. Insurance Europe does not support these approaches either. The objectives of the resolution and the rationale for those objectives should be made clear to the IAIG.</p>
12. Global Federation of Insurance Associations	Global	No	<p>The objectives of the resolution of insurers should be clear. This is currently not the case in CF12.2a.1, which states that a jurisdiction may choose to rank resolution objectives (policyholder protection and financial stability) at its discretion. It is not clear what is intended by this.</p> <p>On one reading, this suggests different IAIGs could have different resolution objectives in a single jurisdiction. In GFIA's view, resolution objectives should not explicitly differ between insurers in a jurisdiction because the interests of various stakeholders in a resolution process should be protected in the same way. In practice, some objectives may be more</p>

			<p>relevant than others (depending on the circumstances of the IAIG).</p> <p>On another reading, the wording in CF12.2a.1 could suggest that the same IAIG could have different resolution objectives over time, or that different jurisdictions could have different objectives for a single IAIG. GFIA does not support these approaches either. The objectives of the resolution and the rationale for those objectives should be made clear to the IAIG.</p> <p>GFIA is also concerned that further explicit emphasis on financial stability as an objective for the resolution of IAIGs will reinforce the common and erroneous assumption that insurance business written by IAIGs poses the same contagion risk as banking.</p>
13. Institute of International Finance	Global	No	The commentary that resolution "seeks to minimize reliance on public funding" is an exact duplication of the guidance in ICP 12.2.3. Since the point itself is expressed as guidance rather than a mandate, its repetition as a ComFrame standard is unnecessary.
14. AIA Group	Hong Kong	No	We wish to reiterate our prior comments on earlier consultations that powers for resolution should only be used as a "last stop" in a continuum of regulatory tools a regulator would have to address the situation where a financial institution is failing and it is important to act with speed to prevent a contagious collapse of confidence and credit. This is because traditional life insurance business is vastly different than the banking business. Long-term insurers do not typically provide critical short-term functions to the financial system or wider economy in the same way as banks, for which recent changes have been proposed to resolution regimes to address. The winding-up of an insurer can usually occur over an extended period of time using existing tools such as "run-off" or "portfolio transfer" (as normally not all insurance liabilities are triggered voluntarily by policyholders). In addition, the fundamental principle of insurance is based on the law of large numbers. Well managed insurers (with sound underwriting and asset/liability management) reduce the relative risk of loss by insuring a large number of independent units of risks. Risk and volatility of loss may be further reduced within the basic insurance model by writing several lines of life and general business and by operating in more than one jurisdiction. A research paper by the IAIS in November 2011 concluded that insurers engaged in traditional insurance activities were not a concern from a systemic risk perspective. As well, in our experience, traditional insurance activities and even some non-traditional activities that are no longer viable have typically been resolved satisfactorily through run-off and portfolio transfer procedures. Thus, IAIGs which are not-G-SIIs do not pose a significant risk to the global financial system.
15. Swiss Re	Switzerland	No	As stated in our response to question 11, we take the view that resolution of an IAIG should have financial stability only as an objective where appropriate (i.e. if the IAIG would be classified as systemically important). Resolution planning for non-systemically important firms ought to focus on policyholder protection.

16. Association of British Insurers	United Kingdom	No	<p>Although some objectives may be more relevant than others, depending on the insurer that is subject to resolution, resolution objectives should not differ between insurers. If the jurisdiction considers a resolution objective to be an appropriate objective, then this should be an objective for the resolution of all insurers, not just IAIGs.</p> <p>For example, although insurance liabilities are largely independent of each other, and are not "callable" on demand as they occur at a specified point in time (e.g. retirement) or following a pre-defined, insured event (e.g. a flood, or a motor accident), there may be a situation (e.g. natural catastrophe) where multiple non-IAIGs are under stress, creating similar issues to the failure of a single IAIG.</p> <p>The ABI is also concerned that further explicit emphasis on financial stability as an objective for the resolution of IAIGs will reinforce the common and erroneous assumption that insurance business written by IAIGs poses the same contagion risk as banking.</p> <p>It is not clear exactly what financial stability would mean in practice; this has the appearance of giving it scope to rank above other objectives - for example, does this imply policyholder protection could come below financial stability, or does use of public funds outweigh it? There could also be a jurisdictional impact, i.e. promoting stability in one region could be at odds with objectives in others.</p>
17. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
18. Prudential Financial, Inc.	United States of America	No	The IAIS' holistic approach to systemic risk - and specifically, development of an activities based approach - is based on the premise that financial stability concerns may arise broadly from the industry. Therefore, we believe it would be more appropriate to include this guidance as part of the ICP guidance it refers rather than limiting it to IAIGs.
19. American Property Casualty Insurance Association (APCI)	USA	No	The guidance notes that "the framework for resolving IAIGs should also include as an objective the maintenance of financial stability, where applicable." We believe that the maintenance of financial stability should not be an objective of resolution except when resolving companies that have been designated as systemically important while such designations are being made. While we appreciate the qualifier "if applicable," we strongly urge that the guidance state more forthrightly that financial stability considerations should arise only in the context of systemically important companies. To do otherwise raises the specter that policyholders may be harmed for the sake of a financial stability concern held by only a few or even a single regulator. Even if this is not the intended meaning of the "as applicable" qualifier, the guidance should more explicitly state the meaning.

20. MetLife, Inc	USA	No	The commentary that resolution "seeks to minimize reliance on public funding" is an exact duplication of the guidance in ICP 12.2.3. Since the point itself is expressed as guidance rather than a mandate, its repetition as a ComFrame standard is unnecessary.
21. Property Casualty Insurers Association of America (PCI)	USA	No	<p>The commentary that resolution "seeks to minimize reliance on public funding" is an exact duplication of the guidance in ICP 12.2.3. Since the point itself is expressed as guidance rather than a mandate, its repetition as a ComFrame standard is unnecessary.</p> <p>The guidance notes that "the framework for resolving IAIGs should also include as an objective the maintenance of financial stability, where applicable." PCI strongly believes that the maintenance of financial stability should not be an objective of resolution except when resolving companies that have been designated as systemically important. While we appreciate the qualifier "if applicable," we strongly urge that the guidance state more forthrightly that financial stability considerations should arise only in the context of systemically important companies. To do otherwise raises the specter that policyholders may be harmed for the sake of a financial stability concern held by only a few or even a single regulator. Even if this is not the intended meaning of the "as applicable" qualifier, the guidance should more explicitly state the meaning.</p>
Q3 Comment on ComFrame Standard CF12.2.b			
22. Assuris	Canada	No	Assuris supports the change to minimise reliance on public funding instead of relying on bail-out by using public funds.
23. Insurance Europe	Europe	No	CF 12.2.2b is unnecessary, as ICP 12.2.3 already states that "Resolution should seek to minimise reliance on public funding".
24. Global Federation of Insurance Associations	Global	No	CF 12.2.2b is unnecessary, as ICP 12.2.3 already states that "Resolution should seek to minimise reliance on public funding".
25. American Council of Life Insurers	Office of General Counsel	No	The commentary that resolution "seeks to minimize reliance on public funding" is an exact duplication of the guidance in ICP 12.2.3. Since the point itself is expressed as guidance rather than a mandate, its repetition as a ComFrame standard is unnecessary.
26. Association of British Insurers	United Kingdom	No	This Standard seems unnecessary as ICP 12.2.3 already addresses reliance on public funding. The ABI therefore proposes that CF12.2.b is deleted.

27. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
28. Prudential Financial, Inc.	United States of America	No	As noted within the ICPs, the resolution of any entity or group should seek to minimize reliance on public funding. Given that the ICPs are also applicable to IAIGs, it strikes us as being unnecessary to repeat obvious points such as this in ComFrame.
Q4 Comment on ComFrame Standard CF12.3.a			
29. Assuris	Canada	No	<p>Assuris supports that only IAIGs, that have been determined by the group-wide supervisor and/or resolution authorities, should prepare resolution plans if it deems necessary.</p> <p>Resolution plans are only needed when an insurer has significant resolvability issues. There should be a group discussion with members of IAIG CMG on whether resolution plans are needed. It is more important for all IAIGs to produce key risk information for resolution analysis than preparing resolution plans. Supervisors and/or resolution authority can assess resolvability based on this this information. Some of the key risk information includes:</p> <ul style="list-style-type: none"> - Corporate structures do not align with business units; - Parental guarantees; - Assets supporting policyholder liabilities located in different jurisdiction than the business; - Saleability of the business including current market values; - Intercompany reinsurance and service agreements; and - Impact on policyholder liabilities if derivative program collapses.
30. Insurance Europe	Europe	No	The rights and obligations of the CMG shall be carried out by the Group Supervisor.
31. German Insurance Association	Germany	No	The rights and obligations of the CMG shall be carried out by the Group Supervisor.

32. Global Federation of Insurance Associations	Global	No	The rights and obligations of the CMG shall be carried out by the Group Supervisor.
33. International Actuarial Association	International	No	Add the word "them" between "deem" and "necessary".
34. General Insurance Association of Japan	Japan	No	It is far from appropriate to require a resolution plan for all IAIGs in a uniform manner. Given the principle of proportionality, the requirements on a resolution plan for an IAIG should be decided in proportion to its ICS Ratio, difficulties as may be identified in the ORSA process, etc. Where a resolution plan is developed for those IAIGs which demonstrate sound financial conditions and no sign or imminent risk of deterioration, to prepare for the crisis in a gone concern situation, a relatively simple plan should suffice as opposed to those IAIGs which come short of the qualities mentioned above.
35. American Council of Life Insurers	Office of General Counsel	No	The ACLI appreciates the IAIS's identification of an IAIG's "activities and its lines of business" being a material factor.
36. Swiss Re	Switzerland	No	As the concept of a crisis management group (CMG) is introduced in CF 25.7.a, a short reference may help in this case. We would also like to point to resolution plans deriving from resolution strategies and therefore suggest to add this to the beginning of the sentence. See also the Financial Stability Board guidance "Developing Effective Resolution Strategies and Plans for Systemically Important Insurers" (2016) http://www.fsb.org/2016/06/developing-effective-resolution-strategies-and-plans-for-systemically-important-insurers/ . We could envision a spectrum of possible approaches, proportional to the CMG's assessment of risk, ranging from merely a strategy, to detailed plans. 'Resolution strategies and plans are in place for IAIGs where the group-wide supervisor and/or resolution authority, in consultation with the crisis management group of the IAIG (IAIG CMG) and based on substantiated findings, deems necessary. The level of detail of the strategies and plans are proportional to the supervisors' assessment of the level of risk posed by the IAIG.'
37. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

38. MetLife, Inc	USA	No	<p>We are pleased that (1) "the IAIG's risk management mechanisms" and (2) "expected costs, benefits and outcomes of the resolution planning requirement" are included as "Other Issues" at the end of 12.3.a.1. Nevertheless, we believe that these two issues should be referenced along with the four that precede them, so it is clear that all six are equally important factors for a group-wide supervisor and/or resolution authority and IAIG CMG to consider when determining if a resolution plan is needed and/or the degree of resolution planning required.</p> <p>We view the two "Other issues" as significant factors for determining resolution planning—as well as recovery planning—requirements. An IAIG with effective group-wide risk management processes in place, including ORSA and stress testing, would be unlikely to reach a point of non-viability or insolvency without experiencing intermediate material events of financial distress. Accordingly, a 7th bullet should be added as follows: "analysis of the likelihood of the IAIG's vulnerability to significant financial distress".</p>
39. Property Casualty Insurers Association of America (PCI)	USA	No	<p>We are pleased that (1) "the IAIG's risk management mechanisms" and (2) "expected costs, benefits and outcomes of the resolution planning requirement" are included as "Other Issues" at the end of 12.3.a.1. Nevertheless, we believe that these two issues should be referenced along with the four that precede them, so it is clear that all six are equally important factors for a group-wide supervisor and/or resolution authority and IAIG CMG to consider when determining if a resolution plan is needed and/or the degree of resolution planning required.</p> <p>PCI views the two "Other issues" as significant factors for determining resolution planning—as well as recovery planning—requirements. An IAIG with effective group-wide risk management processes in place, including ORSA and stress testing, would be unlikely to reach a point of non-viability or insolvency without experiencing intermediate material events of financial distress, such as not meeting required Risk Based Capital or other financial strength measurements. Specifically, we believe that the requirement for insurance supervisors and insurers to establish a resolution plan should not be triggered until such a material event or condition of financial stress has occurred and would refer the IAIS to our comment to this effect in the last paragraphs of our response to Q1 above.</p>
Q5 Comment on ComFrame Guidance CF12.3.a.1			
40. Assuris	Canada	No	<p>Assuris supports reviewing these issues in deciding whether resolution plans are required by the IAIG. Overall, we think that an insurer with significant resolvability issues should be a consideration in determining whether IAIGs need to prepare resolution plans.</p>
41. Insurance Europe	Europe	No	<p>It is not clear how "the number of jurisdictions where the IAIG operates" relates to either resolution objective; other considerations seem significantly more important in the context of the policyholder protection objective (eg the current financial state of the institution, whether entry into resolution is likely, whether financial difficulty could happen suddenly, the extent to which the institution directly insures policyholders).</p>

			Insurance Europe agrees that taking into account the IAIG's risk management mechanisms and the expected costs, benefits and outcomes of the resolution planning requirement is the right approach.
42. Global Federation of Insurance Associations	Global	No	<p>It is not clear how "the number of jurisdictions where the IAIG operates" relates to either resolution objective; other considerations seem significantly more important in the context of the policyholder protection objective (eg the current financial state of the institution, whether entry into resolution is likely, whether financial difficulty could happen suddenly, the extent to which the institution directly insures policyholders).</p> <p>GFIA agrees that taking into account the IAIG's risk management mechanisms; and the expected costs, benefits and outcomes of the resolution planning requirement is the right approach. But GFIA suggests that these two elements should be referenced along with the four that precede them, so it is clear that all six are equally important factors for a group-wide supervisor and/or resolution authority and IAIG CMG to consider when determining if a resolution plan is needed and/or the degree of resolution planning required.</p> <p>An IAIG with effective group-wide risk management processes in place, including ORSA and stress testing, would be unlikely to reach a point of non-viability or insolvency without experiencing intermediate material events of financial distress, such as not meeting required Risk Based Capital or other financial strength measurements.</p> <p>GFIA therefore takes the view that the requirement for insurance supervisors (with the IAIGs involvement) to establish a resolution plan should not be triggered until a material event or condition of financial stress has occurred.</p>
43. General Insurance Association of Japan	Japan	No	Necessity to develop resolution plans should not be decided based on the number of jurisdictions in which an IAIG operates. Rather, it should be decided based purely on the impact of its trouble. As mentioned in the fourth bullet point, "the potential impact of failure of the IAIG on the financial system and the real economy" is an important point.
44. American Council of Life Insurers	Office of General Counsel	No	We are pleased that the IAIS has included the two factors identified at the end of 12.3.a.1 as "Other Issues." Nevertheless, we believe that these two issues should be referenced along with the four above, so it is clear that all six are equally important factors for a group-wide supervisor and/or resolution authority and IAIG CMG to consider when determining if a resolution plan is needed and/or the degree of resolution planning required. Both "the IAIG's risk management mechanisms" and "expected costs, benefits and outcomes of the resolution planning requirement" are viewed by the life industry in the U.S. as significant factors for determining resolution planning, as well as recovery planning, requirements. Accordingly, the leading part of the sentence "Other issues that may also be taken into consideration are, for example, the" should be deleted. In addition, the 5th bullet should be modified to read "IAIG's risk management and risk mitigation mechanisms; and."

			An IAIG with effective group-wide risk management processes in place, including ORSA and stress testing, would be unlikely to reach a point of non-viability or insolvency without experiencing intermediate material events of financial distress. Accordingly, a 7th bullet should be added as follows: "analysis of the likelihood of the IAIG's vulnerability to significant financial distress".
45. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
46. American Property Casualty Insurance Association (APCI)	USA	No	We appreciate that this guidance has been amended so that considerations for determining whether a resolution plan is required now include the IAIG's activities and lines of business and the expected costs, benefits and outcomes of the resolution planning requirement.
47. Property Casualty Insurers Association of America (PCI)	USA	No	PCI is pleased that this guidance has been amended so that considerations for determining whether a resolution plan is required now include the IAIG's activities and lines of business and the expected costs, benefits and outcomes of the resolution planning requirement.
Q6 Comment on ComFrame Guidance CF12.3.a.2			
48. Assuris	Canada	No	The PPS should be included in the development of group resolution plans. A PPS can be a source of expertise and has experience that may provide advice and financial assistance in the resolution of an insurer.
49. Insurance Europe	Europe	No	<p>Insurance Europe agrees that the resolution plan, if deemed necessary, should be developed by the group-wide supervisor and/or resolution authority and welcomes the clarification that the IAIG should be involved in the process as relevant (Insurance Europe believes that the IAIG should usually be involved). This would ensure that the resolution plan is based on realistic assumptions and is manageable if applied. It is particularly important that the plan offer enough leeway to adequately react to the concrete crisis situation.</p> <p>CF12.3.a.2 refers to the resolution strategy as a component of the resolution plan. However, Insurance Europe believes that the resolution strategy should be determined before creating the plan, as it is the basis for the resolution planning effort.</p>

			<p>The IAIS should substantiate what is meant by "data requirements" in the third bullet point. Data requirements should be limited to data needed to execute the resolution plan, in respect of the proportionality principle.</p>
50. German Insurance Association	Germany	No	<p>GDV believes that the IAIG should usually be involved in resolution planning. This would ensure that the resolution plan is based on realistic assumptions and is manageable if applied. It is particularly important that the plan offer enough leeway to adequately react to the concrete crisis situation.</p>
51. Global Federation of Insurance Associations	Global	No	<p>GFIA agrees that the resolution plan, if deemed necessary, should be developed by the group-wide supervisor and/or resolution authority and welcomes the clarification that the IAIG should be involved in the process as relevant (GFIA is of the view that the IAIG should usually be involved). This would ensure that the resolution plan is based on realistic assumptions and is manageable if applied. It is particularly important that the plan offer enough leeway to adequately react to the concrete crisis situation.</p> <p>The IAIS should substantiate what is meant by "data requirements" in the third bullet point. Data requirements should be limited to data needed to execute the resolution plan, in respect of the proportionality principle.</p>
52. Swiss Re	Switzerland	No	<p>This refers to the resolution strategy as a component of the resolution plan. The resolution strategy however should be determined before creating the plan, as it is the basis for the resolution planning effort. According to the principle of proportionality, it may for instance be useful to agree on a resolution strategy for some firms while foregoing development of a detailed resolution plan. FSB's Developing Effective Resolution Strategies and Plans for Systemically Important Insurers" (2016) http://www.fsb.org/2016/06/developing-effective-resolution-strategies-and-plans-for-systemically-important-insurers/ states: 'A preferred strategy for an insurance group should be supported by detailed resolution plans for each point of entry that provide operational detail of how the strategy would be implemented.' in §4.1. We therefore propose to change the wording of the second sentence to: 'Resolution strategies should, where appropriate, include substantive resolution plans and operational plans for its implementation and identify, in particular:'</p> <p>The IAIS should also substantiate what is meant by "data requirements" in the third bullet point. Data requirements should be limited to data needed to execute the resolution plan, and should adhere to the proportionality principle. That is, the level of detail of the strategies and plans, as well as the associated data requirements, are proportional to the supervisors' assessment of the level of risk posed by the IAIG'.</p> <p>Regarding the fourth bullet, we oppose the use of a priori measures to improve resolvability. In the context of non-systemic firms, without established negative externalities to the global economy, such measures almost always lead to a net destruction of value for policyholders by imposing overly high costs in the form of inefficient structures. This is duly noted by the FSB in its guidance on resolution planning for systemically important insurers (6 June 2016), §2.1.2: "The decision to</p>

			<p>impose any such requirement should take due account of the effect on the soundness and stability of ongoing business."</p> <p>Lastly, we appreciate that our prior feedback concerning the last bullet has been taken into account.</p>
53. Association of British Insurers	United Kingdom	No	<p>The ABI agrees that the resolution plan, if deemed necessary, should be developed by the group-wide supervisor and/or resolution authority, but welcomes the amendment to include the IAIG in the development of group resolution plans.</p> <p>CF12.3.a.2 refers to the resolution strategy as a component of the resolution plan. However, the strategy should be determined before creating the plan, as it is the basis for the resolution planning effort.</p> <p>The IAIS should clarify what is meant by "data requirements" in the third bullet point. Data requirements should be limited to data needed to execute the resolution plan, respecting the proportionality principle.</p>
54. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
55. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	As written, this guidance provides that the group-wide supervisor and/or resolution authority leads the development of group resolution plans. Additional jurisdictional flexibility here would be appropriate as each jurisdiction should have discretion regarding the mechanics of drafting/submission of group resolution plans. Suggest: "The group-wide supervisor and/or resolution authority initiates the development of..."
Q7 Comment on ComFrame Guidance CF12.3.a.3			
56. Insurance Europe	Europe	No	<p>In general, Insurance Europe believes that the resolution strategy should guide the development of the resolution plan and the degree of coordination between supervisors. Choosing a "topco" approach for resolution clearly calls for a single resolution plan. In an "opco" approach, jurisdictions may have a greater influence on local entities but even then, the whole resolution planning effort should be coordinated. In all cases, host supervisors should first assess the existing group resolution plan before embarking on an isolated effort.</p> <p>Resolution plans at entity level should remain an exception. Group-wide resolution plans could recognise existing economic interdependence and take into account the interest of all customers and creditors. Therefore, group-wide resolution plans should be prioritised.</p>

57. German Insurance Association	Germany	No	Resolution plans at entity level should remain an exception. Group-wide resolution plans could recognise existing economic interdependence and take into account the interest of all customers and creditors. Therefore, group-wide resolution plans should be prioritised.
58. Global Federation of Insurance Associations	Global	No	<p>The leading sentence should begin with: "Following the coordinated development process as set forth in CF 12.3.a.2, "</p> <p>In general, GFIA takes the view that the resolution strategy should guide the development of the resolution plan and the degree of coordination between supervisors. Choosing a "topco" approach for resolution clearly calls for a single resolution plan. In an "opco" approach, jurisdictions may have a greater influence on local entities but even then, the whole resolution planning effort should be coordinated. In all cases, host supervisors should first assess the existing group resolution plan before embarking on an isolated effort.</p> <p>Resolution plans at entity level should remain an exception. Group-wide resolution plans could recognise existing economic interdependence and take into account the interest of all customers and creditors. Therefore, group-wide resolution plans should be prioritised. GFIA suggests that this Guidance should recognise the risks associated with having separate plans.</p>
59. American Council of Life Insurers	Office of General Counsel	No	The leading sentence should begin with: "Following the coordinated development process as set forth in CF 12.3.a.2, "
60. Swiss Re	Switzerland	No	<p>We appreciate that, in your March 2018 reply, you acknowledged that host jurisdiction resolution plans should be established in cooperation with the group-wide supervisor and/or resolution authority. Nonetheless, we would like to reiterate our view that when dealing with IAIGs all efforts should drive towards a single group-wide resolution plan. Host supervisors and supervisory authorities should contribute to the overall effort and only consider national efforts in circumstances, where there are demonstrable needs and following consultation with the group-wide supervisor or resolution authority. To avoid inconsistencies with the CMG's efforts, the national resolution plans must be established in cooperation and coordination with the group-wide effort.</p> <p>In effect, it is the resolution strategy that guides the development of the resolution plan and the degree of coordination. A "topco" approach clearly calls for a single resolution plan. In an "opco" approach, jurisdictions may have a greater influence on local entities; still, even then, the whole resolution planning effort ought to be coordinated. In all cases, host supervisors should assess the group resolution plan before embarking on an isolated effort.</p> <p>We suggest to add that individual resolution plans for legal entities should be avoided for cases where they are inconsistent with the group-wide resolution strategy.</p>

61. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the aim in this paragraph to ensure consistency between local and group plans.</p> <p>However, to avoid unnecessary duplication and overlap, host supervisors and/or resolution authorities should not require separate resolution plans where a group resolution plan exists that covers material entities within the group. Host supervisors and/or resolution authorities having their own plans is inconsistent with the desire for group planning and supervisory coordination and cooperation set out in CF12.3a.2, and would introduce added cost and complexity. The ABI suggests that this Guidance is amended to make it clear that host supervisors and/or resolution authorities should not develop separate plans where group plans exist.</p>
62. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
63. Prudential Financial, Inc.	United States of America	No	Given the entity level focus of this point of guidance and considerations within (rather than relevance to the IAIG as a whole) it would be more appropriate if placed within the ICPs than ComFrame.
64. Property Casualty Insurers Association of America (PCI)	USA	No	PCI appreciates the language designed to help ensure that resolution plans should be established in cooperation with the group-wide supervisor and/or resolution authority to ensure consistency.
65. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	See comment on 12.3a.2 -- similarly for 12.3a.3 suggest: "Host supervisors and/or resolution authorities may require separate resolution plans for the IAIG's..."
Q8 Comment on ComFrame Guidance CF12.3.a.4			
66. Global Federation of Insurance Associations	Global	No	GFIA welcomes the removal of the requirement for annual review.

67. Association of British Insurers	United Kingdom	No	The ABI welcomes the removal of the requirement for annual review.
68. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
69. American Property Casualty Insurance Association (APCI)	USA	No	We appreciate the removal of a previous requirement that resolution plans be reviews on an annual basis.
70. Property Casualty Insurers Association of America (PCI)	USA	No	PCI appreciates the removal of a previous requirement that resolution plans be reviewed on an annual basis.
Q9 Comment on ComFrame Standard CF12.3.b			
71. Assuris	Canada	No	<p>The PPS should be consulted on the resolvability, as they can provide advice and a separate perspective from the supervisor and resolution authorities.</p> <p>The resolvability analysis should be done even when no resolution plans are completed. A resolvability analysis can be completed from information within a company's recovery plan. This analysis would help determine if a resolution plan is needed. The supervisor and/or resolution authorities may seek advice from other authorities that have expertise and experience in resolution, such as the PPS. Also, the relevant resolution authorities should have the power to instruct the company to make changes to improve its resolvability, if necessary.</p>
72. Insurance Europe	Europe	No	Resolvability assessments seem a sensible instrument to provide a degree of comfort about the validity of resolution plans. However, where resolvability assessments lead to requirements for the IAIG to take actions to improve resolvability, this is extreme in the insurance context. In most cases, the future benefits of a priori actions to do not outweigh the immediate costs posed to policyholders, in particular when such actions involve restructuring.

			Therefore, Insurance Europe strongly supports 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.
73. German Insurance Association	Germany	No	<p>Resolvability assessments seem a sensible instrument to provide a degree of comfort about the validity of resolution plans. However, where resolvability assessments lead to requirements for the IAIG to take actions to improve resolvability, this is extreme in the insurance context. In most cases, the future benefits of a priori actions to do not outweigh the immediate costs posed to policyholders, in particular when such actions involve restructuring.</p> <p>Therefore, GDV strongly supports a specific reference to the proportionality principle. The necessity, frequency and comprehensiveness of resolvability assessments should be carried out proportionate to the supervisor's assessment of the risks posed by an insurer.</p>
74. Global Federation of Insurance Associations	Global	No	<p>GFIA appreciates the revisions to CF 12.3.b. which, together, recognise and support the utilisation of multiple-point-of-entry strategy for resolving subsidiary-based IAIGs.</p> <p>Resolvability assessments seem a sensible instrument to provide a degree of comfort about the validity of resolution plans. However, where resolvability assessments lead to requirements for the IAIG to take actions to improve resolvability, this is extreme in the insurance context. In most cases, the future benefits of a priori actions to do not outweigh the immediate costs posed to policyholders, in particular when such actions involve restructuring.</p> <p>Therefore, GFIA strongly supports 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>
75. American Council of Life Insurers	Office of General Counsel	No	We appreciate the additional revisions to CF 12.3.b. which, together, recognize and support the utilization of multiple-point-of-entry strategy for resolving subsidiary-based IAIGs.
76. Swiss Re	Switzerland	No	We would support specific references to the proportionality principle. We propose "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."

77. Association of British Insurers	United Kingdom	No	Resolvability assessments could provide a degree of comfort about the validity of resolution plans. However, such assessments should be explicitly subject to the proportionality principle. The necessity, frequency and comprehensiveness of resolvability assessments should be carried out proportionally to the risks posed by an insurer.
78. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
79. MetLife, Inc	USA	No	We appreciate the additional revisions to CF 12.3.b. which, together, recognize and support the utilization of multiple-point-of-entry strategy for resolving subsidiary-based IAIGs.
80. Property Casualty Insurers Association of America (PCI)	USA	No	We appreciate the additional revisions to CF 12.3.b. which, together, recognize and support the utilization of a multiple-point-of-entry strategy for resolving subsidiary-based IAIGs.
Q10 Comment on ComFrame Guidance CF12.3.b.1			
81. Swiss Re	Switzerland	No	CF12.3b.1 remains ambiguous in that it could be empowering local authorities or promoting local resolution strategies and plans. This goes against CF12.3a.2 and CF12.3.a.3. Therefore, we suggest to add that resolution strategies should be taken at the level of the IAIG (as opposed to entities) where it is expected that resolution actions would be taken.
82. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
83. Property Casualty Insurers Association of America (PCI)	USA	No	We appreciate the additional revisions to CF 12.3.b. which, together, recognize and support the utilization of a multiple-point-of-entry strategy for resolving subsidiary-based IAIGs.
Q11 Comment on ComFrame Guidance CF12.3.b.2			
84. Insurance Europe	Europe	No	A jurisdiction may have alternative/additional resolution objectives to those identified in this paragraph. Insurance Europe

			suggests that, instead of the current wording, this paragraph refers instead to the feasibility of resolution achieving the jurisdiction's resolution objectives, i.e. "...to resolve the IAIG in a way that achieves the resolution objectives...'
85. Global Federation of Insurance Associations	Global	No	A jurisdiction may have alternative/additional resolution objectives to those identified in this paragraph. GFIA suggests that, instead of the current wording, this paragraph refers instead to the feasibility of resolution achieving the jurisdiction's resolution objectives, i.e. "to resolve the IAIG in a way that achieves the resolution objectives".
86. American Council of Life Insurers	Office of General Counsel	No	The words "while minimizing reliance on public funds" should be deleted.
87. Association of British Insurers	United Kingdom	No	A jurisdiction may have alternative/additional resolution objectives to those identified in this paragraph. The ABI suggests that, instead of the current wording, this paragraph refers instead to the feasibility of resolution achieving the jurisdiction's resolution objectives, i.e. "...to resolve the IAIG in a way that achieves the resolution objectives...".
88. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
89. Property Casualty Insurers Association of America (PCI)	USA	No	We appreciate the additional revisions to CF 12.3.b. which, together, recognize and support the utilization of a multiple-point-of-entry strategy for resolving subsidiary-based IAIGs.
Q12 Comment on ComFrame Guidance CF12.3.b.3			
90. Insurance Europe	Europe	No	In addition to the resolvability assessment being undertaken within the IAIG CMG, it would be appropriate for the outcome of that assessment to be shared with the IAIG. Therefore, we would propose to amend the final sentence of CF12.3.b.3 as follows: "These assessments should also be subject to regular reviews within the IAIG CMG, and the outcome of those reviews should be shared with the IAIG'.
91. German Insurance Association	Germany	No	It would be appropriate for the outcome of the resolvability assessment to be shared with the IAIG.

92. Global Federation of Insurance Associations	Global	No	In addition to the resolvability assessment being undertaken within the IAIG CMG, it would be appropriate for the outcome of that assessment to be shared with the IAIG. Therefore GFIA would propose to amend the final sentence of CF12.3.b.3 as follows: "These assessments should also be subject to regular reviews within the IAIG CMG, and the outcome of those reviews should be shared with the IAIG".
93. Swiss Re	Switzerland	No	The requirement to conduct a resolvability assessment if any change takes place that could materially impact resolvability assessments could be made more specific by describing the kind of changes considered relevant.
94. Association of British Insurers	United Kingdom	No	In addition to the resolvability assessment being undertaken within the IAIG CMG, it would be appropriate for the outcome of that assessment to be shared with the IAIG. Therefore, the ABI would propose to amend the final sentence of CF12.3.b.3 as follows: "These assessments should also be subject to regular reviews within the IAIG CMG, and the outcome of these reviews should be shared with the IAIG".
95. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q13 Comment on ComFrame Standard CF12.3.c			
96. Assuris	Canada	No	Assuris strongly supports the Head of the IAIG have and maintain a group-wide MIS that can provide resolution focused information. During periods of stress, it is important to have information that is quickly available to make informed decisions by the insurer, supervisor and/or resolution authorities. If a MIS is not in place beforehand, it could delay making decisions or lead to making flawed decisions. This type of information will be useful to IAIGs and should be produced even if resolution plans are not required. This information will help supervisors and/or resolution authorities assess resolvability and determine if resolution plans are needed. The supervisor and/or resolution authorities should consult with other authorities that have expertise and experience in resolution, such as the PPS.
97. Global Federation of Insurance Associations	Global	No	The group-wide supervisor and/or resolution authority should take care to not to place an overly burdensome requirement for the Head of the IAIG to have and maintain group-wide MIS.

98. General Insurance Association of Japan	Japan	No	<p>It is far from appropriate to require a resolution plan for all IAIGs in a uniform manner. Given the principle of proportionality, the requirements on a resolution plan for an IAIG should be decided in proportion to its ICS Ratio, difficulties as may be identified in the ORSA process, etc.</p> <p>Where a resolution plan is developed for those IAIGs which demonstrate sound financial conditions and no sign or imminent risk of deterioration, to prepare for the crisis in a gone concern situation, a relatively simple plan should suffice as opposed to those IAIGs which come short of the qualities mentioned above. For example, it is reasonable when an insurer is in a sound condition required developing only an outline and when the insurer is considered financial damaged condition required a detailed plan.</p> <p>We agree that the IAIGs should have in place a management information system. Operation of such system should be conducted in a proportional manner. For example, with regard to the frequency of the information collection, it should depend on the IAIG's systemic importance and the level of urgency of its recovery. It is generally difficult to produce insurance underwriting data on a daily basis. Rather, such data is produced quarterly or annually. The frequency and timing of the data collection should reflect the characteristics of the business and decided by each IAIG.</p>
99. The Life Insurance Association of Japan	Japan	No	The group-wide supervisor and/or resolution authority should pay attention not to place an overly burdensome for the Head of the IAIG to have and maintain group-wide MIS.
100. Swiss Re	Switzerland	No	MIS may not operate efficiently or effectively when authorities have the option to ring-fence entities, or data, in their jurisdiction. We propose that IAIS specifically mention that cooperation and coordination among jurisdictions must be given for an MIS to fully deliver under these different circumstances. We suggest to add the following sentence to 12.3.c.1: "Home and host supervisors should cooperate and coordinate to ensure that information flows freely between relevant jurisdictions."
101. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q14 Comment on ComFrame Guidance CF12.3.c.1			
102. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q15 Comment on ComFrame Guidance CF12.3.c.2			

103. Insurance Europe	Europe	No	Insurance Europe welcomes the clarification in this Guidance that the IAIG may rely on its existing management information system.
104. German Insurance Association	Germany	No	GDV welcomes the clarification in this Guidance that the IAIG may rely on its existing management information system.
105. Global Federation of Insurance Associations	Global	No	GFIA welcomes the clarification in this Guidance that the IAIG may rely on its existing management information system.
106. General Insurance Association of Japan	Japan	No	With regard to the "producing information on a timely basis", as we commented on CF12.3.c., the frequency of the information collection should depend on the IAIG's systemic importance and the level of urgency of its recovery. It is generally difficult to produce insurance underwriting data on a daily basis. Rather, such data is produced quarterly or annually. The frequency and timing of the data collection should reflect the characteristics of the business.
107. Association of British Insurers	United Kingdom	No	The ABI welcomes the clarification in this Guidance that the IAIG may rely on its existing management information system.
108. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q16 Comment on ComFrame Guidance CF12.3.c.3			
109. Assuris	Canada	No	Assuris supports IAIGs completing the actions outlined in this guidance. Another requirement could include obtaining information for the jurisdiction of assets supporting policyholder liabilities.
110. Insurance Europe	Europe	No	It should be clarified that resolution plans are only applicable if deemed necessary by the group-wide supervisor. Insurance Europe suggests that this bullet point be amended as follows: "where resolution planning is required by the group-wide supervisor and/or resolution authority, demonstrate, as part of the resolution planning process, that it is able to produce.
111. Global Federation of	Global	No	It should be clarified that resolution plans are only applicable if deemed necessary by the group-wide supervisor. GFIA suggests that this bullet point be amended as follows: "where resolution planning is required by the group-wide supervisor and/or resolution authority, demonstrate, as part of the resolution planning process, that it is able to produce".

Insurance Associations			
112. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the removal of the reference to recovery planning from the third bullet point.</p> <p>However, it also needs to be clarified that resolution plans are only applicable if deemed necessary by the group-wide supervisor. The ABI suggests that this bullet point be amended as follows:</p> <p>"The IAIG should ... where resolution planning is required by the group-wide supervisor and/or resolution authority, demonstrate, as part of the resolution planning process, that it is able to produce the essential information needed to implement plans within an appropriate period of time ...".</p>
113. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q17 Comment on ComFrame Standard CF12.7.a			
114. Assuris	Canada	No	<p>Assuris supports the powers as listed.</p> <p>Specifically, Assuris strongly supports the provision of a stay on early termination rights associated with derivatives. Insurers increasingly rely on derivative contracts to mitigate risks including interest, currency and market risk. The termination of these risk mitigators could have unpredictable and serious adverse consequences for the failing insurer and reduce confidence in the financial system.</p>
115. Insurance Europe	Europe	No	<p>CF 12.7.a repeats many of the resolution powers in ICP 12.7.4. This is redundant.</p> <p>The use of stay and suspension powers as part of the resolution toolkit can be helpful to preserve value and prevent the need to use more drastic measures. However, a cost-benefit analysis is required before considering the use of these powers, as they would likely have a commercial impact and/or increase the cost of impacted transactions and would also introduce a potential source of contagion.</p> <p>Where resolvability assessments lead to requirements for the IAIG to take prospective actions to improve resolvability, this is extreme in the insurance context. In most cases, the future benefits of a priori actions to do not outweigh the immediate costs posed to policyholders, in particular when such actions involve restructuring.</p>

			<p>Insurance Europe supports the provision that "powers are used only if suitable and necessary to meet the resolution objectives", because the proportionality of the measures taken in resolution is essential. The analysis of what is to be required should take into account the extended period of time available to resolve an insurance entity - a key difference with banking where very little time is available for resolution.</p> <p>The powers of the supervisor must also not be in conflict with local law. In particular, the mentioned supervisory actions would require an explicit and transparent legal basis in local law, subject to the principle of proportionality, and shall not conflict with other binding laws and procedures (e.g. in some jurisdictions, the insolvency administrator and not the supervisor is by law responsible for the resolution of an IAIG).</p> <p>In relation to the content of CF 12.7.a, Insurance Europe has the following comments:</p> <ul style="list-style-type: none"> - The reference to "at least" in the initial sentence in CF12.7.a implies a minimum set of requirements and is inconsistent with the earlier statement that "authorities may exercise" which implies a degree of discretion. Therefore, we consider the reference to "at least" should be deleted from CF12.7.a to ensure discretion at a jurisdictional level over resolution powers. - The second bullet under CF12.7.a should acknowledge that contract law may limit the ability to recover monies, therefore the focus should be on encouraging claw-back provisions to be included in relevant employment contracts. The claw-back of variable remuneration components (other than malus components) shall always refer to individual misconduct only. - The seventh to twelfth bullet points under CF12.7.a should be set out as sub bullets under the fifth bullet point as they are all actions that may be taken once control of the IAIG has been assumed. - For the eighteenth bullet referring to establishing a bridge institution, the IAIS should elaborate on how this may be useful in an insurance context, e.g. under what circumstances would the withdrawal of permissions to write new business and/or portfolio transfers prove inadequate?
116. German Insurance Association	Germany	No	<p>We see this chapter critical. The powers of the supervisor must not be in conflict with local law. In particular, the mentioned supervisory actions require explicit and transparent legal grounds in local laws, subject to the principal of proportionality, and shall not conflict with other binding laws and procedures. In respect of Germany, the insolvency law could be applicable and the insolvency administrator by law could be responsible for the resolution of an IAIG and not the supervisor. The claw-back of variable remuneration components (other than malus components) shall always refer to individual misconduct only.</p>
117. Global Federation of	Global	No	<p>CF 12.7.a repeats many of the resolution powers in ICP 12.7.4. This is redundant.</p>

<p>Insurance Associations</p>			<p>In the leading sentence, after "subject to adequate safeguards", it should say "including courts where applicable, for the resolution of an IAIG may include, at least, the following:"</p> <p>The use of stay and suspension powers as part of the resolution toolkit can be helpful to preserve value and prevent the need to use more drastic measures. However, a cost-benefit analysis is required before considering the use of these powers, as they would likely have a commercial impact and/or increase the cost of impacted transactions and would also introduce a potential source of contagion.</p> <p>Where resolvability assessments lead to requirements for the IAIG to take prospective actions to improve resolvability, this is extreme in the insurance context. In most cases, the future benefits of a priori actions to do not outweigh the immediate costs posed to policyholders, in particular when such actions involve restructuring.</p> <p>GFIA supports the provision that "powers are used only if suitable and necessary to meet the resolution objectives", because the proportionality of the measures taken in resolution is essential. The analysis of what is to be required should take into account the extended period of time available to resolve an insurance entity - a key difference with banking where very little time is available for resolution.</p> <p>The powers of the supervisor must also not be in conflict with local law. In particular, the mentioned supervisory actions would require an explicit and transparent legal basis in local law, subject to the principle of proportionality, and shall not conflict with other binding laws and procedures (e.g. in some jurisdictions, the insolvency administrator and not the supervisor is by law responsible for the resolution of an IAIG).</p> <p>In relation to the content of CF 12.7.a, GFIA has the following comments: The reference to "at least" in the initial sentence in CF12.7.a implies a minimum set of requirements and is inconsistent with the earlier statement that "authorities may exercise" which implies a degree of discretion. Therefore, GFIA considers the reference to "at least" should be deleted from CF12.7.a to ensure discretion at a jurisdictional level over resolution powers. The second bullet under CF12.7.a should acknowledge that contract law may limit the ability to recover monies, therefore the focus should be on encouraging claw-back provisions to be included in relevant employment contracts. The claw-back of variable remuneration components (other than malus components) shall always refer to individual misconduct only. The seventh to twelfth bullet points under CF12.7.a should be set out as sub bullets under the fifth bullet point as they are all actions that may be taken once control of the IAIG has been assumed. For the eighteenth bullet referring to establishing a bridge institution, the IAIS should elaborate on how this may be useful in an insurance context, e.g. under what circumstances would the withdrawal of permissions to write new business and/or portfolio transfers prove inadequate?</p>
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118. Institute of International Finance	Global	No	<p>The first fifteen powers in "CF 12.7.a" are essentially a repeat the resolution powers set forth in ICP 12.7.4. We support a uniform resolution framework for all insurers, and therefore recommend that all resolution powers be included in the ICPs-- as either a standard or as guidance, and suggest including these powers in guidance as the best and most flexible approach.</p> <p>As to the additional six resolution powers enumerated herein, many are not additional tools, but relate to resolution planning or resolution processes generally (e.g., nos. 16, 17, 19). We therefore question whether they fit within this ComFrame section or an ICP standard describing resolution powers. With respect to the tool of bridge institutions (no. 18), we do not see this as applicable to any or many insurer insolvencies.</p>
119. International Forum of Insurance Guarantee Schemes	Global	No	<p>One of the safeguards should be that resolution powers not be exercised in a way that denies policyholders protection that would otherwise be provided by a PPS.</p> <p>The supervisor or resolution authority should coordinate with the PPS in the exercise of the powers to achieve the resolution objectives including the protection of the insurance policyholders.</p> <p>Suggested revised language:</p> <ul style="list-style-type: none"> - Prohibit the transfer of the IAIG's assets without supervisory or resolution authority approval, as applicable; - Transfer or sell the whole or part of the assets and liabilities of the IAIG to a solvent insurer or third party without requiring policyholder consent to the transfer;
120. General Insurance Association of Japan	Japan	No	<p>The allocation of authorities and responsibilities among different parties with regard to resolution of an insurer could be different among jurisdictions and it is our understanding that this is actually the case. We would like to be confirmed that this draft does not deny the ability and the discretion of each jurisdiction how it allocates the different functions related to resolution among different authorities such as supervisors, court, etc.</p>
121. American Council of Life Insurers	Office of General Counsel	No	<p>In the leading sentence, after "subject to adequate safeguards," it should say, "including courts where applicable, for the resolution of an IAIG may include, at least, the following:"</p> <p>The first fifteen bullets are essentially a repeat of the resolution powers set forth in ICP 12.7.4. We support a uniform resolution framework for all insurers, and therefore recommend that all resolution powers be included in the ICPs--as either a standard or as guidance and suggest including these powers in guidance as the best and most flexible approach.</p> <p>As to the last six bullets, many are not additional tools, but relate to resolution planning or resolution processes generally.</p>

			<p>We therefore question whether they fit within this ComFrame section or an ICP standard describing resolution powers.</p> <p>In the 16th bullet, the words "if applicable in certain jurisdictions" should be added after "within the IAIG."</p> <p>In the 18th bullet, with respect to bridge institutions, we do not see this as applicable to any or many insurer insolvencies, therefore, the words "if applicable in certain jurisdictions" should be added at the end.</p>
122. Swiss Re	Switzerland	No	<p>In general, we suggest to build on ICP12.7.4, and only highlight what is specifically required regarding resolution powers towards IAIGs and to reduce the current number of powers listed.</p> <p>Specifically, with regards to the bullet point ("require the IAIG to take prospective actions to improve its Resolvability"), where resolvability assessments lead to requirements for the IAIG to take actions to improve resolvability, this is extreme in the insurance context as duly noted by the FSB in its guidance on resolution planning for systemically important insurers (6 June 2016), §2.1.2: "The decision to impose any such requirement should take due account of the effect on the soundness and stability of ongoing business." We believe that in most cases, the future benefits of a priori measures do not outweigh the immediate costs posed to policyholders, in particular when such actions involve restructuring. If a supervisor requires such measures from the IAIG, in addition to proportionality as per CF12.7a.2, they should be duly substantiated, and supported by the supervisory college and the CMG.</p>
123. Association of British Insurers	United Kingdom	No	<p>The majority of the bullet points in this Standard reflecting powers that may be exercised are the same as those listed in ICP 12.7.4. It is not necessary to list powers separately for insurers and IAIGs, as there is no similar separation between supervisors and/or resolution authorities as to who may exercise such powers. The issue will be that the powers chosen should be appropriate to the circumstances. Therefore, there is unnecessary duplication between ICP 12.7.4 and CF12.7.a. Further, some of the powers mentioned could potentially conflict with local laws.</p> <p>In relation to the content of CF12.7.a we have the following comments.</p> <p>The reference to "at least" in the initial sentence in CF12.7.a implies a minimum set of requirements and is inconsistent with the earlier statement that "authorities may exercise" which implies a degree of discretion. Therefore, we consider the reference to "at least" should be deleted from CF12.7.a to ensure discretion at a jurisdictional level over resolution powers.</p> <p>The second bullet under CF12.7.a on the claw-back of variable remuneration should acknowledge that contract law may limit the ability to recover monies. Therefore, the focus should be on encouraging claw-back provisions to be included in relevant employment contracts.</p>

			<p>The seventh to twelfth bullet points under CF12.7.a should be set out as sub bullets under the fifth bullet point, as they are all actions that may be taken once control of the IAIG has been assumed.</p> <p>For the eighteenth bullet referring to establishing a bridge institution, the IAIS should elaborate on how this may be useful in an insurance context, e.g. under what circumstances would the withdrawal of permissions to write new business and/or portfolio transfers prove inadequate?</p> <p>The use of stay and suspension powers as part of the resolution toolkit can be helpful to preserve value and prevent the need to use more drastic measures. However, a cost-benefit analysis is required before considering the use of these powers, as they would likely have a commercial impact and/or increase the cost of impacted transactions and would also introduce a potential source of contagion.</p> <p>Where resolvability assessments lead to requirements for the IAIG to take prospective actions to improve resolvability, this is extreme in the insurance context. In most cases, the future benefits of a priori actions to do not outweigh the immediate costs posed to policyholders, in particular when such actions involve restructuring.</p> <p>The ABI supports the provision at the end of CF12.7.a that "powers are used only if suitable and necessary to meet the resolution objectives", because the proportionality of the measures taken in resolution is essential. The analysis of what is to be required should take into account the extended period of time available to resolve an insurance entity - a key difference with banking where very little time is available for resolution.</p>
<p>124. National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) and the National Conference of Insurance Guaranty Funds (NCIGF)</p>	<p>United States</p>	<p>No</p>	<p>One of the safeguards should be that resolution powers not be exercised in a way that denies policyholders protection that would otherwise be provided by an PPS.</p>

125. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
126. Prudential Financial, Inc.	United States of America	No	We believe the standard must acknowledge the primacy of jurisdictional law - especially with respect to liquidation and / or rehabilitation. We request the standard be updated to read as follows - "The powers that the supervisor and/or resolution authority may exercise, subject to adequate safeguards and jurisdictional law, for the resolution of an IAIG include, at least, the following:"
127. American Property Casualty Insurance Association (APCI)	USA	No	The powers of a supervisor in resolution should not include the power to write down liabilities to policyholders except as necessary in the context of resolving an insurer that has been found to be systemically important.
128. MetLife, Inc	USA	No	<p>The first fifteen powers in "CF 12.7.a" are essentially a repeat the resolution powers set forth in ICP 12.7.4. We support a uniform resolution framework for all insurers, and therefore recommend that all resolution powers be included in the ICPs-- as either a standard or as guidance, and suggest including these powers in guidance as the best and most flexible approach.</p> <p>As to the additional six resolution powers enumerated herein, many are not additional tools, but relate to resolution planning or resolution processes generally (e.g., nos. 16, 17, 19). We therefore question whether they fit within this ComFrame section or an ICP standard describing resolution powers. With respect to the tool of bridge institutions (no. 18), we do not see this as applicable to any or many insurer insolvencies.</p>
129. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI reiterates our previous comments that the powers of a supervisor in resolution should not include the power to write down liabilities to policyholders except as necessary in the context of resolving and insurer that has been found to be systemically important.</p> <p>The first fifteen powers in CF12.7.a are essentially a repeat of the resolution powers set forth in ICP 12.7.4. We support a uniform resolution framework for all insurers, and therefore recommend that all resolution powers be included in the ICPs - as either a standard or as guidance, and suggest including these powers in guidance as the best and most flexible approach.</p> <p>As to the additional six resolution powers enumerated herein, many are not additional tools, but relate to resolution planning</p>

			or resolution processes generally (e.g., nos. 16, 17, 19). We therefore question whether they fit within this ComFrame section or an ICP standard describing resolution powers. With respect to the tool of bridge institutions (no. 18), we do not see this as applicable to any or many insurer insolvencies.
130. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	The level of detail and prescription in outlining the specific supervisory authority required to resolve an IAIG is excessive and inconsistent with other areas of ComFrame. Suggest writing at a higher level with outcomes in mind, as opposed to a long list of specific authorities that are required.
Q18 Comment on ComFrame Guidance CF12.7.a.1			
131. Assuris	Canada	No	Assuris supports the power to require IAIGs to take actions to improve their resolvability. Resolvability is the most important predictor of a successful resolution to protect policyholders and maintain consumer confidence in the industry. Therefore, companies should take actions to remove barriers to resolution and improve their resolvability while they are not under stress.
132. Insurance Europe	Europe	No	Insurance Europe welcomes the fact that supervisory measures to improve resolvability are only to be exercised in a proportionate manner and agrees that, before powers to require an IAIG to take actions to improve its resolvability are used, the IAIG should be given the opportunity to propose its own remedies. Insurance Europe also considers that there should be some safeguards surrounding the use of powers to improve resolvability so that an IAIG has a right to appeal and challenge such actions if it disagrees with their appropriateness.
133. Global Federation of Insurance Associations	Global	No	GFIA welcomes the fact that supervisory measures to improve resolvability are only to be exercised in a proportionate manner and agrees that, before powers to require an IAIG to take actions to improve its resolvability are used, the IAIG should be given the opportunity to propose its own remedies. GFIA also considers that there should be some safeguards surrounding the use of powers to improve resolvability so that an IAIG has a right to appeal and challenge such actions if it disagrees with their appropriateness.
134. Association of British Insurers	United Kingdom	No	The ABI welcomes the fact that supervisory measures to improve resolvability are only to be exercised in a proportionate manner and agrees that, before powers to require an IAIG to take actions to improve its resolvability are used, the IAIG should be given the opportunity to propose its own remedies. However, there should be safeguards surrounding the use of powers to improve resolvability so that an IAIG has a right to appeal and challenge such actions if it disagrees with their appropriateness.

135. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q19 Comment on ComFrame Guidance CF12.7.a.2			
136. Assuris	Canada	No	Assuris strongly supports a PPS being used as a bridge institution for transferring contracts of an IAIG. This type of action during an insurance resolution provides a supporting reason for including the PPS in any crisis management group.
137. Global Federation of Insurance Associations	Global	No	GFIA welcomes the amendment to this Guidance to recognise the role of the IAIG in making its own proposals to improve its resolvability. However, GFIA also considers that there should be some safeguards surrounding the use of powers to improve resolvability so that an IAIG has a right to appeal and challenge such actions if it disagrees with their appropriateness.
138. Association of British Insurers	United Kingdom	No	See comments on CF12.7.a.1 above.
139. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q20 Comment on ComFrame Guidance CF12.7.a.3			
140. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
141. Prudential Financial, Inc.	United States of America	No	It seems unnecessary to identify this lone example of an "essential service". We recommend deleting this point of guidance and deferring such decision to the supervisor, resolution authority and insurer.
Q21 Comment on ComFrame Guidance CF12.12.a.1			
142. Insurance Europe	Europe	No	Insurance Europe would welcome a requirement of cooperation and coordination among involved authorities, including those in charge of other sectors of the financial system. Any resolution requirements for branches should be within the supervisory remit of the home supervisory authority (ie of the legal entity to which the branch belongs), in cooperation and coordination with the host authority. No additional resolution responsibilities of the host authorities of the branch should be

			established; otherwise, this would create an additional layer of uncertainty and burden regarding cooperation and coordination between home and host supervisors.
143. Global Federation of Insurance Associations	Global	No	GFIA would welcome a requirement of cooperation and coordination among involved authorities, including those in charge of other sectors of the financial system. Any resolution requirements for branches should be within the supervisory remit of the home supervisory authority (ie of the legal entity to which the branch belongs), in cooperation and coordination with the host authority. No additional resolution responsibilities of the host authorities of the branch should be established; otherwise, this would create an additional layer of uncertainty and burden regarding cooperation and coordination between home and host supervisors.
144. American Council of Life Insurers	Office of General Counsel	No	We would urge that, where a robust insolvency framework exists to resolve non-insurance entities within an insurance group, such as the federal bankruptcy law and court system in the U.S., and mechanisms exist to promote and facilitate coordination, it is not necessary for such entities to fall subject to the operating insurer resolution regime. Accordingly, we recommend adding "only if there is not a robust insolvency framework already in place" to the 3rd bullet.
145. Association of British Insurers	United Kingdom	No	The ABI would welcome an explicit requirement in this Guidance for cooperation and coordination among involved authorities, including those in charge of other sectors of the financial system. Any resolution requirements for branches should be within the supervisory remit of the home supervisory authority (i.e. of the legal entity to which the branch belongs), in cooperation and coordination with the host authority. No additional resolution responsibilities of the host authorities of the branch should be established; otherwise, this would create an additional layer of uncertainty regarding cooperation and coordination between home and host supervisors.
146. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
147. MetLife, Inc	USA	No	We would urge that, where a robust insolvency framework exists to resolve non-insurance entities within an insurance group, such as the federal bankruptcy law and court system in the US, and mechanisms exist to promote and facilitate coordination, it is not necessary for such entities to fall subject to the operating insurer resolution regime.
148. Property Casualty Insurers Association of America (PCI)	USA	No	We would urge ComFrame to recognize that, where a robust insolvency framework exists to resolve non-insurance entities within an insurance group, such as the federal bankruptcy law and court system in the US, and mechanisms exist to promote and facilitate coordination, it is not necessary for such entities to fall subject to the operating insurer resolution regime.

149. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	This guidance oversteps the legal authorities in many jurisdictions and is presumptive to want insurance resolution standards to apply to non-insurance entity resolution merely because the non-insurance entity is in an insurance group. It is unclear to what extent ICP 12 material would even be applicable or helpful to non-insurance resolutions or to what extent the ComFrame material under ICP 12 would apply to non-IAIGs. This guidance which greatly expands the scope of not only the resolution ComFrame material but all of ICP 12 far beyond the work of the IAIS and the authority of its members is completely inappropriate. Further, while 12.12a.1 says ICP 12 and its ComFrame material is extended to financial institutions other than insurers within the IAIG, its final paragraph says it is not intended to override existing sectoral requirements. How do these extend to but not override? This is very contradictory and should be deleted along with the rest of 12.12a.1.
Q22 Comment on ComFrame Guidance CF12.12.a.2			
150. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
151. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	This paragraph should be deleted (see comment on 12.12a.1). If the intended meaning is that non-insurance legal entities within a group that is being resolved should be resolved as well (if necessary) by the relevant authorities, then it is stating the obvious.

ComFrame in ICPs 15 and 16

Organisation	Jurisdiction	Confidential	Answer
Q1 General Comment on ComFrame in ICP 15			
1. Association of Bermuda Insurers and Reinsurers	Bermuda	No	<p>The Association of Bermuda Insurers and Reinsurers ("ABIR") represents the public policy interests of Bermuda's international insurers and reinsurers that protect consumers around the world. ABIR kindly thanks the International Association of Insurance Supervisors ("IAIS") for the opportunity to comment on the Draft overall ComFrame.</p> <p>Overall, ABIR supports the IAIS in the revisions to ComFrame, with a few caveats in the areas of confidentiality and peer analysis noted below.</p>
2. Insurance Europe	Europe	No	<p>Insurance Europe generally supports the ComFrame material related to ICP15 and the proposed revisions, with the recommendation to remove provisions under 15.2.b regarding transfer of assets/capital cross-border, and incorporate these under ICP 17 on capital adequacy.</p> <p>Insurance Europe further highlights that revisions to the text of ICP15 are needed. Reference is made to previous comments on ICP, submitted in January 2018 (also available here: https://www.insuranceeurope.eu/sites/default/files/attachments/Response%20to%20IAIS%20consultation%20on%20revisions%20to%20ICP%2015%20and%2016.pdf).</p>
3. German Insurance Association	Germany	No	<p>As a general comment, GDV believes that quantitative requirements should be avoided. The regulator should not act as a shadow director - investment levels should be reflected in capital requirements and the supervisory review process as appropriate. There should be usually no possibility for the regulator to set explicit limits on certain investments or to direct investment in certain assets. Only in case that a breach of capital requirements has occurred the supervisory authority should be empowered to provide such direction.</p>
4. Global Federation of Insurance Associations	Global	No	<p>GFIA welcomes the opportunity to comment on the revisions to ComFrame material in ICP 15. GFIA would like to take the opportunity to also comment on some of the ICPs' provisions that do not directly relate to ComFrame material, but are however very relevant for GFIA members.</p> <p>The summary box at the start of the ICP 15 section of the consultation states "The supervisor establishes investment requirements for solvency purposes in order for insurers to make appropriate investments taking account of the risks they face". However, the requirements should not restrict insurers from investing in line with their approved ALM mandates. There should be no possibility for the regulator to set explicit limits on certain investments, or to direct investment in certain assets. Only when a breach of capital requirements has occurred should the supervisory authority be empowered to provide</p>

			<p>such direction.</p> <p>As a general comment, GFIA believes that quantitative requirements should be avoided. The regulator should not act as a shadow director - investment levels should be reflected in capital requirements and the supervisory review process as appropriate.</p> <p>Paragraph 15.1.2 - The quantitative requirements referred to here should only be implemented when there is a supervisory reason, such as a breach of capital requirements.</p> <p>Paragraph 15.1.3 - The development of internal investment and capital markets (fourth bullet point) should not be a factor to consider when establishing regulatory investment requirements. Insurers' investments are for the benefit of their policyholders and shareholders, although GFIA would note that increasing shareholder value does support the development of capital markets more broadly.</p> <p>Paragraph 15.1.4 - GFIA acknowledges that assessing how other, non-insurance financial sectors apply capital requirements may help to provide a level playing field. However, IAIS needs to recognise that the insurance business model is fundamentally different from the banking business model, and there is a limited read-across that can be made from one to the other. Hence, a "one-size-fits-all" approach is unlikely to be appropriate; careful consideration should be given to fundamental differences in prudential regimes across sectors and jurisdictions.</p> <p>Paragraph 15.1.8 - There should be a clear rationale and clear criteria for imposing limits and setting out rules on specific classes of investment - for example, investments that involve excessive risk taking should be inadmissible for regulatory capital purposes.</p> <p>There should be no quantitative regulatory limits on concentrations of assets. If an insurer wants to concentrate its investments, it should maintain an appropriate level of capital for the corresponding concentration risk. The insurer should be able to explain the reasoning for holding a concentration of certain assets, counterparties or other characteristics, if the regulator deems the firm to be an outlier.</p> <p>Paragraph 15.1.11 - Regulatory group investment requirements should be limited to reporting, and should not restrict an insurer from achieving synergies across a group. Nor should they limit diversification benefits that can be obtained by the group. GFIA considers that groups should rely on the local supervisory rules of the jurisdiction in which they are based to demonstrate compliance with concentration requirements.</p> <p>Paragraph 15.3.3 - If an insurer adopts a mis-matched position, this risk should be reflected in enhanced capital requirements. It should not be reflected in additional technical provisions (which are not risk-based). Technical provisions</p>
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			<p>should be based on the principles guiding ICS version 2.0, and should not be impacted by other considerations.</p> <p>Paragraph 15.5 - Again, quantitative limits should not be applied to these investments.</p> <p>GFIA considers that further revisions to the text of ComFrame within ICP 15 are needed, in particular the removal of the provisions in Standard CF 15.2.b regarding the transfer of assets cross-border.</p>
6. Cincinnati Insurance Company	United States of America	No	<p>[1] The IAIS is seeking feedback on the draft overall Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) through public consultation. The overall ComFrame includes the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5 (Suitability of Persons); ICP 7 (Corporate Governance); ICP 8 (Risk Management and Internal Controls); ICP 9 (Supervisory Review and Reporting); ICP 10 (Preventive Measures, Corrective Measures and Sanctions); ICP 12 (Exit from the Market and Resolution); ICP 15 (Investments); ICP 16 (Enterprise Risk Management for Solvency Purposes); ICP 23 (Group-wide Supervision); ICP 25 (Supervisory Cooperation and Coordination). [2] As we have stated many times in similar sets of consultation comments, our company does not believe that the world needs a set of Insurance Core Principles (ICPs), either as a standalone regulatory code or one enhanced and amplified for IAIGs under ComFrame. We also object to the program under which the International Monetary Fund (IMF) grades the U.S. insurance regulatory system on its compliance with the ICPs. [3] The core principles upon which the U.S. insurance regulatory system is premised have functioned perfectly for over 150 years and do not need an overhaul by the International Association of Insurance Supervisors (IAIS) or by its ostensible parent organization, the Financial Stability Board (FSB). [4] Therefore, we object to the overall ComFrame, including the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25. There is no need for the IAIS to promulgate an international insurance code on the topics addressed by ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25, or to otherwise claim authority to regulate in these areas. The U.S. and other regulatory regimes are capable of regulating in these areas on their own without interference by the IAIS.</p>
7. American Property Casualty Insurance Association (APCI)	USA	No	<p>Some requirements of action on the part of the "head of the IAIG" in CF15 reflect a bias in favor of centralized IAIGs rather than decentralized models, contrary to the overarching concept stated on page 3 of the CD that "ComFrame does not favour any particular governance model and instead focuses on the outcomes that the governance model needs to achieve". The standard should be revised to read "The group-wide supervisor requires the IAIG to conduct its own due diligence to avoid placing undue reliance on assessments by credit rating agencies with regard to investment selection and risk management processes." There is no need to require "the head of the IAIG" to do so as long as the requirement is met.</p>
8. Property Casualty Insurers	USA	No	

Association of America (PCI)			
Q2 Comment on ComFrame Standard CF15.2.a			
9. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
10. Global Federation of Insurance Associations	Global	No	<p>The standard should be revised to read "The group-wide supervisor requires the IAIG to conduct its own due diligence to avoid placing undue reliance on assessments by credit rating agencies with regard to investment selection and risk management processes". There is no need to require "the head of the IAIG" to do so as long as the requirement is met.</p> <p>Groups should consider how local entities are required to manage their investments; group investment policies should reflect these local practices and requirements, and not impede them. A group's policies should reflect its internal organisation, and could be centralised or delegated downwards. A single, centrally organised policy may not be automatically applicable to all groups.</p>
11. Institute of International Finance	Global	No	We suggest that this ComFrame guidance, and the concept of "Head of the IAIG" generally, be considered in the context of ICP/ComFrame's stated structure, which is to allow for a wide range of effective supervisory approaches and regulatory frameworks. ICP 15 and the related ComFrame sections should recognize and accommodate existing jurisdictional limitations and supervisory frameworks, and focus on outcomes rather than suggesting that formal group-wide supervision is necessary or required.
12. American Council of Life Insurers	Office of General Counsel	No	<p>We suggest that this ComFrame guidance, and the concept of "Head of the IAIG" generally, be considered in the context of ICP/ComFrame's stated structure, which is to allow for a wide range of effective supervisory approaches and regulatory frameworks. In the U.S., for example, the regulation of individual insurance entities, including imposition of limits and restrictions on investment activity, is left to the insurance supervisors in each such company's domiciliary state/country, which cooperate and coordinate, through supervisory colleges and in other fora, if and as needed. ICP 15 and the related ComFrame sections should recognize and accommodate existing jurisdictional limitations and supervisory frameworks and focus on outcomes rather than suggesting that formal group-wide supervision is necessary or required.</p> <p>Many insurers rely upon ratings, assessments and analyses provided by affiliated and third-party investment managers, which conduct comprehensive credit review and underwriting on behalf of insurance company clients. The ICPs should be flexible enough to allow insurers to rely upon the expertise of investment managers and to consider other third-party resources to support investment selection.</p>

13. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
14. MetLife, Inc	USA	No	<p>We suggest that this ComFrame guidance, and the concept of "Head of the IAIG" generally, be considered in the context of ICP/ComFrame's stated structure, which is to allow for a wide range of effective supervisory approaches and regulatory frameworks. In the U.S., for example, the regulation of individual insurance entities, including imposition of limits and restrictions on investment activity, is left to the insurance supervisors in each such company's domiciliary state/country, which cooperate and coordinate, through supervisory colleges and in other fora, if and as needed. ICP 15 and the related ComFrame sections should recognize and accommodate existing jurisdictional limitations and supervisory frameworks, and focus on outcomes rather than suggesting that formal group-wide supervision is necessary or required.</p> <p>Moreover, many insurers rely upon ratings, assessments and analyses provided by affiliated and third party investment managers, which conduct comprehensive credit review and underwriting on behalf of insurance company clients. The ICPs should be flexible enough to allow insurers to rely upon the expertise of investment managers and to consider other third party resources to support investment selection.</p>
15. Property Casualty Insurers Association of America (PCI)	USA	No	<p>PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise, this standard remains overly prescriptive.</p> <p>We suggest that this ComFrame guidance, and the concept of "Head of the IAIG" generally, be considered in the context of ICP/ComFrame's stated structure, which is to allow for a wide range of effective supervisory approaches and regulatory frameworks. In the U.S., for example, the regulation of individual insurance entities, including imposition of limits and restrictions on investment activity, is left to the insurance supervisors in each such company's domiciliary state/country, which cooperate and coordinate, through supervisory colleges and in other fora, if and as needed. ICP 15 and the related ComFrame sections should recognize and accommodate existing jurisdictional limitations and supervisory frameworks and focus on outcomes rather than suggesting that formal group-wide supervision is necessary or required.</p> <p>Moreover, many insurers rely upon ratings, assessments and analyses provided by affiliated and third-party investment managers, which conduct comprehensive credit review and underwriting on behalf of insurance company clients. The ICPs should be flexible enough to allow insurers to rely upon the expertise of investment managers and to consider other third-party resources to support investment selection.</p>

Q3 Comment on ComFrame Guidance CF15.2.a.1			
16. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions. Insurance Europe recommends to take into account operational considerations: "The IAIG should conduct due diligence to check the appropriateness of credit rating assessments wherever possible in practice, using various sources of information".
17. German Insurance Association	Germany	No	GDV agrees that the IAIG should conduct its own due diligence to avoid placing undue reliance on assessments by credit rating agencies. But the requirement should also consider feasibility aspects.
18. Global Federation of Insurance Associations	Global	No	GFIA considers it unrealistic to expect IAIGs to perform their own credit analysis on every investment, and that it is appropriate to place reliance on credit rating agencies that have been selected with appropriate due diligence. This is standard practice across the financial services industry.
19. American Council of Life Insurers	Office of General Counsel	No	Many insurers rely upon ratings, assessments and analyses provided by affiliated and third-party investment managers, which conduct comprehensive credit review and underwriting on behalf of insurance company clients. The ICPs should be flexible enough to allow insurers to rely upon the expertise of investment managers and to consider other third-party resources to support investment selection.
20. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
21. MetLife, Inc	USA	No	See response to CF 25.2.a at Q2 above
22. Property Casualty Insurers Association of America (PCI)	USA	No	See response to CF 25.2.a at Q2 above.
Q4 Comment on ComFrame Guidance CF15.2.a.2			
23. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.

24. Global Federation of Insurance Associations	Global	No	GFIA welcomes the clarification as to the meaning of "undue reliance".
25. American Council of Life Insurers	Office of General Counsel	No	Many insurers rely upon ratings, assessments and analyses provided by affiliated and third-party investment managers, which conduct comprehensive credit review and underwriting on behalf of insurance company clients. The ICPs should be flexible enough to allow insurers to rely upon the expertise of investment managers and to consider other third-party resources to support investment selection.
26. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
27. MetLife, Inc	USA	No	See response to CF 25.2.a at Q2 above
28. Property Casualty Insurers Association of America (PCI)	USA	No	See response to CF 25.2.a at Q2 above.
Q5 Comment on ComFrame Standard CF15.2.b			
29. Insurance Europe	Europe	No	While Insurance Europe does not have specific concerns with the content of this provision, it does believe that any specifications regarding transferability of assets/capital should not be part of this ICP, but rather part of ICP 17 on capital adequacy.
30. Global Federation of Insurance Associations	Global	No	GFIA considers that this standard should be removed from ComFrame in ICP 15 as it does not relate to investments. It should also be revised to refer to the IAIG rather than the head of the IAIG - i.e. "The group-wide supervisor requires the IAIG to consider the effect of potential legal and operational impediments to the IAIG's ability to transfer capital and assets on a cross-border basis". There is no need to require "the head of the IAIG" to do so as long as the requirement is met. "Capital" is not the same as "assets". In this context, references to "capital" should be removed from Standard CF 15.2.b.

31. Institute of International Finance	Global	No	<p>Many IAIGs do not have a group-wide supervisor or lead supervisor with authority to regulate enterprise-wide investment activity. ICP 15 and the related ComFrame sections should recognize and accommodate existing jurisdictional limitations and supervisory frameworks, and focus on outcomes rather than suggesting that formal group-wide supervision is necessary or required.</p> <p>In addition, any discussion of liquidity and fungibility of capital is more appropriately addressed in ICP 17. Regardless of its placement within the ICPs, we would suggest revising CF 15.2b.1 to require the IAIG to "consider" specific restrictions, rather than to "document" such restrictions.</p>
32. American Council of Life Insurers	Office of General Counsel	No	<p>Many IAIGs do not have a group-wide supervisor or lead supervisor with authority to regulate enterprise-wide investment activity. As stated in our comments to CF 15.2.a, in the US, individual insurance entities are well-regulated by the insurance supervisors in each company's domiciliary state, and these regulators can and do cooperate and coordinate, through supervisory colleges, crisis management groups, and in other fora, if and as needed. Indeed, US insurance law's enhanced insurance holding company system approach provides insurance regulators with the necessary tools to obtain key enterprise-wide and/or holding company information, including such tools as the Group Profile Summary that includes risk reporting. ICP 15 and the related ComFrame sections should recognize and accommodate existing jurisdictional limitations and supervisory frameworks and focus on outcomes rather than suggesting that formal group-wide supervision is necessary or required.</p> <p>Any discussion of liquidity and fungibility of capital is more appropriately addressed in ICP 17. Regardless of its placement within the ICPs, we would suggest revising CF 15.2b.1 to require the IAIG to "consider" specific restrictions, rather than to "document" such restrictions.</p>
33. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
34. American Property Casualty Insurance Association (APCI)	USA	No	<p>Some requirements of action on the part of the "head of the IAIG" in CF15 reflect a bias in favor of centralized IAIGs rather than decentralized models, contrary to the overarching concept stated on page 3 of the CD that "ComFrame does not favour any particular governance model and instead focuses on the outcomes that the governance model needs to achieve". The standard should be revised to read "The group-wide supervisor requires the IAIG to consider the effect of potential legal and operational impediments to the IAIG's ability to transfer capital and assets on a cross-border basis." There is no need to require "the head of the IAIG" to do so as long as the requirement is met.</p>
35. MetLife, Inc	USA	No	<p>Many IAIGs do not have a group-wide supervisor or lead supervisor with authority to regulate enterprise-wide investment activity. As stated in our comments to CF 15.2.a, in the US, individual insurance entities are well-regulated by the insurance</p>

			<p>supervisors in each company's domiciliary state, and these regulators can and do cooperate and coordinate, through supervisory colleges, crisis management groups, and in other fora, if and as needed. Indeed, US insurance law's enhanced insurance holding company system approach provides insurance regulators with the necessary tools to obtain key enterprise-wide and/or holding company information, including such tools as the Group Profile Summary that includes risk reporting. ICP 15 and the related ComFrame sections should recognize and accommodate existing jurisdictional limitations and supervisory frameworks, and focus on outcomes rather than suggesting that formal group-wide supervision is necessary or required.</p> <p>Any discussion of liquidity and fungibility of capital is more appropriately addressed in ICP 17. Regardless of its placement within the ICPs, we would suggest revising CF 15.2b.1 to require the IAIG to "consider" specific restrictions, rather than to "document" such restrictions.</p>
36. Property Casualty Insurers Association of America (PCI)	USA	No	<p>Many IAIGs do not have a group-wide supervisor or lead supervisor with authority to regulate enterprise-wide investment activity. As stated in our comments to CF 15.2.a, in the US, individual insurance entities are well-regulated by the insurance supervisors in each company's domiciliary state, and these regulators can and do cooperate and coordinate, through supervisory colleges, crisis management groups, and in other fora, if and as needed. Indeed, US insurance law's enhanced insurance holding company system approach provides insurance regulators with the necessary tools to obtain key enterprise-wide and/or holding company information, including such tools as the Group Profile Summary that includes risk reporting. ICP 15 and the related ComFrame sections should recognize and accommodate existing jurisdictional limitations and supervisory frameworks and focus on outcomes rather than suggesting that formal group-wide supervision is necessary or required.</p> <p>Any discussion of liquidity and fungibility of capital is more appropriately addressed in ICP 17. Regardless of its placement within the ICPs, we would suggest revising CF 15.2b.1 to require the IAIG to "consider" specific restrictions, rather than to "document" such restrictions.</p>
Q6 Comment on ComFrame Guidance CF15.2.b.1			
37. Insurance Europe	Europe	No	<p>While Insurance Europe does not have specific concerns with the content of this provision, it does believe that any specifications regarding transferability of assets/capital should not be part of this ICP, but rather part of ICP 17 on capital adequacy.</p>
38. Global Federation of Insurance Associations	Global	No	<p>GFIA considers that this standard should be removed from ComFrame in ICP 15 as it does not relate to investments.</p> <p>Furthermore, and as noted above, the requirement should apply to the IAIG as a whole and not "the head of the IAIG".</p>

39. AIA Group	Hong Kong	No	We would contend that documented procedures are impractical and will need to be frequently updated as conditions (not just regulatory but, for example, political conditions) change. Moreover, under stressed times, it is important that we retain flexibility in how we manage transfers, rather than be tied in to a set of procedures. Therefore, the requirement is impractical and we believe it is more important that IAIGs understand the restrictions and limitations around cross-border transfers and can practically manage such constraints.
40. General Insurance Association of Japan	Japan	No	With regard to the documentation of the specific restrictions that apply to the transfer of capital assets between jurisdictions, and additional restrictions that apply in the case of the resolution of a legal entity, taking possible legal constraints into account, means other than documentation could be considered. Therefore, the phrase "when material and as necessary" should be added as follows: "The Head of the IAIG should document when material and as necessary...".
41. American Council of Life Insurers	Office of General Counsel	No	<p>Many IAIGs do not have a group-wide supervisor or lead supervisor with authority to regulate enterprise-wide investment activity. As stated in our comments to CF 15.2.a, in the US, individual insurance entities are well-regulated by the insurance supervisors in each company's domiciliary state, and these regulators can and do cooperate and coordinate, through supervisory colleges, crisis management groups, and in other fora, if and as needed. Indeed, US insurance law's enhanced insurance holding company system approach provides insurance regulators with the necessary tools to obtain key enterprise-wide and/or holding company information, including such tools as the Group Profile Summary that includes risk reporting. ICP 15 and the related ComFrame sections should recognize and accommodate existing jurisdictional limitations and supervisory frameworks and focus on outcomes rather than suggesting that formal group-wide supervision is necessary or required.</p> <p>Any discussion of liquidity and fungibility of capital is more appropriately addressed in ICP 17. Regardless of its placement within the ICPs, we would suggest revising CF 15.2b.1 to require the IAIG to "consider" specific restrictions, rather than to "document" such restrictions.</p>
42. Swiss Re	Switzerland	No	We retain our view that it would be more efficient and effective if 15.2.b.1 would put the supervisor in the lead for documenting restrictions. A viable alternative would be that the IAIG is to cooperate with the supervisor, who is in the lead, when it comes to documenting restrictions.
43. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
44. American Property Casualty	USA	No	As above, this requirement should apply to the IAIG as a whole, not to the "Head of the IAIG".

Insurance Association (APCI)			
45. MetLife, Inc	USA	No	See response to CF 15.2.b at Q5 above
46. Property Casualty Insurers Association of America (PCI)	USA	No	As above, this requirement should apply to the IAIG as a whole, not to the "Head of the IAIG". Also, see our response to CF 15.2.b at Q5 above.
Q7 General Comment on ComFrame in ICP 16			
47. Assuris	Canada	No	Assuris is designated in legislation as the Policyholder Protection Scheme (PPS) for life insurance by both the Federal and Quebec governments. Assuris is also designated, under either legislation or regulation, as the policyholder protection scheme for life insurance in every other province and territories in Canada. Assuris was an active participant in four life insurer insolvencies. Assuris has provided funding to the failed insurer to ensure policyholder benefits are protected during the insolvency. In addition, Assuris has used its bridge institution to facilitate the transfer of assets and liabilities from the insolvent insurer. We support companies preparing recovery plans. The development of recovery plans can help companies prepare for recovery while they are not under stress. Also, the information in recovery plans are useful for assessing resolvability and restructuring issues.
48. Insurance Europe	Europe	No	Insurance Europe welcomes the clarifications made to the ComFrame material related to ICP16 and the proposed revisions. However, some requirements are overly prescriptive, specifically: - An independent review of the ERM framework every three years imposes another constraint on IAIGs in an area which is already well regulated. As such, the costs outweigh the benefits (CF16.2.c). - IAIGs should not be required to publicly disclose their risk appetite (CF16.4.a). - ICPs should focus on setting proper risk management measures to address concentration risk, and not on setting limits to concentration itself (CF1.6.c).

		<p>- The requirement of some group-wide policies such as claims management policy or actuarial policy are overly prescriptive and overlaps with some other requirements already included (eg in the ORSA). Further, it is not the role of the actuarial function to work on non-insurance legal entities and non-regulated legal entities, as well as to assess the financial situation of the IAIG (CF16.7.b, CF16.7.d, CF16.7.d.1, CF 16.7.e, CF16.7.e.1).</p> <p>- It should be at the discretion of the IAIG to assess the appropriate approach (ie quantitative and/or qualitative) to perform each element of the ORSA (CF16.10.a).</p> <p>- A requirement within ComFrame for pre-emptive recovery planning is too prescriptive and undermines the role and responsibility of the general management of an IAIG. A proportional approach should be taken when considering whether the set-up of recovery plans is actually needed in all cases (CF16.3.a & CF16.13.a.1). Further, meeting the chosen criteria should not trigger the implementation of the recovery plan but rather require a specific and dedicated governance body within the IAIG to assess whether it is appropriate to enter into recovery (CF16.13.a.2).</p> <p>- When a recovery plan is needed for an IAIG, a group recovery plan should be sufficient and should satisfy requests for setting up national plans for subsidiaries (CF16.13.a.8).</p> <p>General comments on ICP 16:</p> <p>- Insurance Europe highlights that revisions to ICP16 are needed. Reference is made to previous comments on ICP 16, submitted in January 2018 (also available here: https://www.insuranceeurope.eu/sites/default/files/attachments/Response%20to%20IAIS%20consultation%20on%20revisions%20to%20ICP%2015%20and%2016.pdf).</p> <p>- A large part of the guidance in ICP 16 is too granular (ie 16.5 ALM, 16.6 investment policy, 16.7 underwriting policy, 16.8-16.12 ORSA) and prevents the proportional implementation of an adequate risk management system. The numerous policies required and their content are overly prescriptive and should be listed as best practices and not as compulsory requirements. In fact, the principle-based approach of the framework is endangered by sections of this ICP. Many requirements may be adequate for complex insurers with long-term business and complex asset strategy but not for small or medium-sized insurers without long-term business and with a simple asset structure.</p> <ul style="list-style-type: none"> o ICPs 16.5.4 and 16.5.5 on ring-fencing of assets is overly prescriptive and not suitable for all jurisdictions. o The list of examples for "inherently risky financial instruments" in ICP 16.6.2, for example, does not provide any valuable guidance for supervisors / (re)insurers and will become out of date (despite not being exhaustive). The inclusion of derivatives in this list should be clarified to extend only to derivatives that are uncollateralised and have potential for
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			<p>counterparty risk (of which explicit consideration in the investment risk policy is indeed required in 16.6.3). In most cases, insurers use derivatives for hedging purposes and this is part of the ALM of insurers intended to mitigate risks rather than amplify them.</p> <ul style="list-style-type: none"> o ICP 16.6.9, suggesting that the use of some types of derivatives should per se be restricted, is certainly too prescriptive and should be deleted. o ICP 16.10.1 explicitly links the ORSA's objective/scope with the insurer's ability to meet its obligations to policyholders. This would exclude insurers focussing on certain business activities and, for example, reinsurers. <p>- As several references are made to regulatory capital requirements throughout ICP 16 (most notably in ICP 16.11 and related Guidance), Insurance Europe would like to stress that for the purpose of regulatory capital assessment, the ERM framework should not create another layer of solvency capital requirements. A deviation between the ERM and the calculation of the regulatory capital must not lead to an automatic increase of capital. The supervisory authorities have a range of other supervisory tools if they deem it necessary to react.</p> <p>- Intra-group transactions, and other factors groups and IAIGs are required to assess and manage accordingly (such as fungibility of capital and transferability of assets, etc), cross over areas covered by several ICPs (risk management and investment aspects, regulatory and economic capital setting and management, etc). These may be more suitable in ICP 17 and should be addressed in the further development of the ICS.</p> <p>- While Insurance Europe broadly agrees with the provisions on internal models in ICP 16, it would be beneficial to clarify the term and distinguish it from internal models used to calculate regulatory capital (as per the IAIS Glossary and in the ICS context).</p> <p>- It appears that numerous repetitions were introduced in ICP 16 due to moving the provisions on recovery planning (ICP 16.13) into this ICP. Some ORSA-related provisions on re-capitalisation (ICPs 16.11.4-16.11.6) and continuity analysis for example can also be found in the context of recovery planning. The IAIS should clarify its expectations on the compliance with these parallel requirements.</p> <p>- The last sentence in ICP 16.0.6 on self-imposed limits should be deleted, as it is overly prescriptive without adding significant guidance to supervisors.</p> <p>- The following sentence in ICP 16.1.2 is redundant and should be deleted, as the underlying requirements are covered in ICP 8 and repeated later in ICP 16. The obligation to use and improve risk management policies etc furthermore goes beyond the scope of ICP 16.1 (risk identification in the ERM framework):</p>
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			<p>"The insurer should use and improve risk management policies, techniques, and practices and change its organisational structure to make these improvements where necessary."</p> <p>- While Insurance Europe would not necessarily disagree with its content, the first sentence in ICP 16.2.6 seems inappropriate at ICP level. General observations on internal models and their supervision would be more appropriate in an application paper.</p> <p>- On ICP 16.3.5, Insurance Europe continues to believe that insurers should not be obliged to perform back-testing. Back-testing should be optional where - depending on the respective model used - it is appropriate for validation purposes. This and the general relationship between this guidance and Standard ICP 16.3 should be clarified.</p> <p>- As per comments provided on ICP 8, a specific "risk appetite statement" (ICP 16.4) is not necessary. While identifying an insurer's risk appetite should form an integral part of an effective risk management system and would be reflected throughout a company's ERM system/ORSA/ALM/Investment policy, the format in which it is documented should not be mandated.</p> <p>- Large parts of Guidance related to ICP 16.14 on the role of supervision in ERM for solvency purposes seems unsuitable and goes beyond supervision of ERM systems. ICPs 16.14.3 and 16.14.14 would certainly be more appropriate in an application paper, considering content and style.</p> <p>On the group / IAIG-specific aspects of ICP 16, ICP 16.6.6 introduces guidance applicable to "international insurers" in the context of investment strategies. The IAIS should clarify whether this refers to IAIGs (or another category of insurers) and why this Guidance is included in the ICP (and not in the ComFrame provisions)</p> <p>The Guidance on group perspectives regarding the economic and regulatory capital in the ORSA (ICPs 16.11.7 and, in particular the list of key group-wide factors in 16.11.8, are overly prescriptive and should be considered in the review of ICP 17 and the ICS.</p>
49. German Insurance Association	Germany	No	<p>A large part of the guidance in ICP 16 is too granular (i.e. 16.5 ALM, 16.6 investment policy, 16.7 underwriting policy, 16.8-16.12 ORSA) and prevents the proportional implementation of an adequate risk management system. In fact, the principle-based approach of the framework is endangered by sections of this ICP. Many requirements may be adequate for complex insurers with long-term business and complex asset strategy but not for small or medium-sized insurers without long-term business and with a simple asset structure.</p>

<p>50. Global Federation of Insurance Associations</p>	<p>Global</p>	<p>No</p>	<p>Revisions to ICP16 are needed. Reference is made to previous comments on ICP 16, submitted in January 2018</p> <p>A large part of the guidance in ICP 16 is too granular (i.e. 16.5 ALM, 16.6 investment policy, 16.7 underwriting policy, 16.8-16.12 ORSA) and prevents the proportional implementation of an adequate risk management system. In fact, the principle-based approach of the framework is endangered by sections of this ICP. Many requirements may be adequate for complex insurers with long-term business and complex asset strategy but not for small or medium-sized insurers without long-term business and with a simple asset structure.</p> <p>ICPs 16.5.4 and 16.5.5 on ring-fencing of assets is overly prescriptive and not suitable for all jurisdictions.</p> <p>The list of examples for "inherently risky financial instruments" in ICP 16.6.2, for example, does not provide any valuable guidance for supervisors / (re)insurers and will become out of date (despite not being exhaustive). The inclusion of derivatives in this list should be clarified to extend only to derivatives that are uncollateralised and have potential for counterparty risk (of which explicit consideration in the investment risk policy is indeed required in 16.6.3). In most cases, insurers use derivatives for hedging purposes and this is part of the ALM of insurers intended to mitigate risks rather than amplify them.</p> <p>ICP 16.6.9, suggesting that the use of some types of derivatives should per se be restricted, is certainly too prescriptive and should be deleted.</p> <p>ICP 16.10.1 explicitly links the ORSA's objective/scope with the insurer's ability to meet its obligations to policyholders. This would exclude insurers focusing on certain business activities and, for example, reinsurers.</p> <p>As several references are made to regulatory capital requirements throughout ICP 16 (most notably in ICP 16.11 and related Guidance), GFIA would like to stress that for the purpose of regulatory capital assessment, the ERM framework should not create a third solvency capital requirement. A deviation between the ERM and the calculation of the regulatory capital must not lead to an automatic increase of capital. The supervisory authorities have a range of other supervisory tools if they deem it necessary to react.</p> <p>Intra-group transactions, and other factors groups and IAIGs are required to assess and manage accordingly (such as fungibility of capital and transferability of assets, etc.), cross over areas covered by several ICPs (risk management and investment aspects, regulatory and economic capital setting and management, etc.). These may be more suitable in ICP 17 and should be addressed in the further development of the ICS.</p> <p>It appears that numerous repetitions were introduced in ICP 16 due to moving the provisions on recovery planning (ICP 16.13) into this ICP. Some ORSA-related provisions on re-capitalisation (ICPs 16.11.4-16.11.6) and continuity analysis for example can also be found in the context of recovery planning. The IAIS should clarify its expectations on the compliance with these parallel requirements.</p> <p>The last sentence in ICP 16.0.6 on self-imposed limits should be deleted, as it is overly prescriptive without adding significant guidance to supervisors.</p> <p>The following sentence in ICP 16.1.2 is redundant and should be deleted, as the underlying requirements are covered in ICP 8 and repeated later in ICP 16. The obligation to use and improve risk management policies etc. furthermore goes</p>
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		<p>beyond the scope of ICP 16.1 (risk identification in the ERM framework): "The insurer should use and improve risk management policies, techniques, and practices and change its organisational structure to make these improvements where necessary." On ICP 16.3.5, GFIA continues to take the view that insurers should not be obliged to perform back-testing. Back-testing should be optional where - depending on the respective model used - it is appropriate for validation purposes. This and the general relationship between this guidance and Standard ICP 16.3 should be clarified. As per comments provided on ICP 8, a specific "risk appetite statement" (ICP 16.4) is not necessary. While identifying an insurer's risk appetite should form an integral part of an effective risk management system and would be reflected throughout a company's ERM system/ORSA/ALM/Investment policy, the format in which it is documented should not be mandated. Large parts of Guidance related to ICP 16.14 on the role of supervision in ERM for solvency purposes seems unsuitable and goes beyond supervision of ERM systems. ICPs 16.14.3 and 16.14.14 would certainly be more appropriate in an application paper, considering content and style.</p> <p>On the group / IAIG-specific aspects of ICP 16, ICP 16.6.6 introduces guidance applicable to "international insurers" in the context of investment strategies. The IAIS should clarify whether this refers to IAIGs (or another category of insurers) and why this Guidance is included in the ICP (and not in the ComFrame provisions)</p> <p>The Guidance on group perspectives regarding the economic and regulatory capital in the ORSA (ICPs 16.11.7 and, in particular the list of key group-wide factors in 16.11.8, are overly prescriptive and should be considered in the review of ICP 17 and the ICS.</p> <p>GFIA applauds the decision to move guidance on preparation of forward-looking recovery planning into the ComFrame sections related to ICP 16 (Enterprise Risk Management for solvency purposes) as a complement to other elements and criteria that address risk management, including ORSA. However, the separation of this guidance from ORSA sections raises concerns that it is not considered as an extension of robust ORSA requirements that now exist or are under development and may not be applied on a proportional basis to all insurers subject to ORSA requirements. What is more, GFIA cannot over-emphasize that for forward-looking recovery planning (as envisaged under CF 16.13) to be effective it must be IAIG driven. It must also reflect material risks and the manner in which these risks should be managed as determined by IAIG management. In this way recovery planning presents a menu of options available to management to restore financial strength and viability. Because the actual stress scenarios are inherently unpredictable, management must maintain wide discretion to select and utilize the appropriate recovery tools.</p> <p>The Application Paper on Group Corporate Governance approved by IAIS in November 2017 states that both more centralized and more decentralized are allowed as the governance model of IAIG. Furthermore, Comframe clearly states</p>
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			that IAIG have different models of governance such as more centralized or more decentralized and ComFrame does not favour any particular governance model. However, since there are some provisions that seem to be described only in terms of a more centralized governance model, GFIA would like IAIS to clarify as much as possible that a more decentralized governance model is allowed.
51. International Actuarial Association	International	No	<p>The IAA finds that the overall length of the ComFrame elements for ICP 16 are very lengthy in comparison with their treatment in ICP 8. In the event that the IAIS wishes to shorten the length of some of the ComFrame elements within ICP 16, the IAA would be pleased to offer specific suggestions.</p> <p>Since this consultation focuses only on ComFrame material, the design decisions made by the IAIS with respect to the non-Comframe portions of ICP 8 and 16 appear final. The IAA acknowledges the challenge faced by the IAIS in balancing a) the content of ICP 8 vs 16 and b) recognizing the unique role of the actuarial function while recognizing, but not duplicating, the role of the actuarial function within an overall ERM framework.</p> <p>As part of its January 2018 response to the consultation on ICP 16, the IAA stated "In the ComFrame addition, requirements are recorded for the actuarial function which are also performed as part of a good risk management function. The two functions and the actuarial policy should be better aligned to avoid duplication and improve efficiency. It should be possible to combine both as is also acknowledged in ICP 8.3.10. Moreover, as the control functions are described in ICP 8 it would be better to deal with this issue only in ICP 8 and not ICP16".</p> <p>The IAA notes that CF 16.7.d and CF 16.7.e include the words "as part of the group-wide ERM framework". While these words soften the potential for overlap between the risk management and actuarial functions, the IAA suggests that more specific wording be added to make clear the need for the actuarial function to provide an actuarial perspective while coordinating its work with the risk management function. In an IAIG it is especially important to provide a variety of views on risk while minimizing potential duplication of work.</p> <p>The IAA appreciates the addition of CF 16.7.d & e as the group-wide actuarial function is particularly useful and important in informing the Head of the IAIG about the risks/issues outlined in these sections. For large, complex and international groups such as IAIG's, the group-wide actuarial function is a necessary component in an IAIG's comprehensive ERM framework.</p> <p>ICP 16 does not currently specifically mention the ERM expectations of the actuarial function for insurer legal entities and insurance groups generally. Perhaps it should do so as the actuarial function does play a key role in many aspects of risk management and risk and capital assessment. However, it is worth noting that ICP 8.6 (now including the very good sections CF 8.6.a & b) sets out the requirements for an effective actuarial function.</p>

			<p>The IAA notes a significant inconsistency between the ComFrame and non-CF parts of ICP 16 with respect to the AF. This inconsistency should be addressed. While the CF parts of ICP 16 make reference to the AF, the non-CF parts do not. Further, there is a lack of consistency in the wording related to the AF and its role in solvency assessment between CF 8.6.a (bullets 3, 4 and 6 specifically) and CF 16.7.d / CF 16.7.e.</p> <p>ICP 16.5 does not currently include the Actuarial Function along with other functions listed for their roles in ALM. Consistency of approach to ALM among all these functions is vital to ERM for solvency purposes. There is a reference to ALM in one of the bullets of CF 16.7e.2., but, the importance of ALM risk to an IAIG and the role of the group-wide actuarial function in its management might be better highlighted through the addition of a CF 8.5 addressing this role more directly.</p> <p>The IAA notes that within ICP 16, especially its ComFrame elements, that terms such as "financial position", "solvency position", "prospective solvency position", "current financial condition", "future financial condition" and "prospective analysis of the financial situation" are used without supporting glossary entries to clarify and distinguish their meanings. The IAA strongly recommends that such definitions be developed and the terms in this ICP (and perhaps other ICP's) be appropriately streamlined.</p>
52. Swiss Re	Switzerland	No	<p>We appreciate that the recovery planning requirement has been included in ICP 16. We consider recovery planning to be a valuable element of an insurers' ERM framework. Insurers should be provided a certain degree of freedom for embedding recovery planning into their risk management processes. For instance, recovery planning could be carried out as a standalone exercise, or embedded as an integral, but distinct component of the ORSA process. We believe it would be helpful if IAIS would acknowledge this in ICP 16.</p>
53. Association of British Insurers	United Kingdom	No	<p>On the group / IAIG-specific aspects of ICP 16, ICP 16.6.6 introduces guidance applicable to "international insurers" in the context of investment strategies. The IAIS should clarify whether this refers to IAIGs (or another category of insurers) and why this Guidance is included in the ICP (and not in the ComFrame provisions).</p>
55. Cincinnati Insurance Company	United States of America	No	<p>See answer to Q1.</p>
56. MetLife, Inc	USA	No	<p>We applaud the decision to move guidance on preparation of forward looking recovery planning into the ComFrame sections related to ICP 16 (Enterprise Risk Management for solvency purposes) as a complement to other elements and criteria that address risk management, including ORSA. However, the separation of this guidance from ORSA sections raises concerns that it is not considered as an extension of robust ORSA requirements which now exist or are under development, that a robust ORSA may not be considered sufficient, and that recovery planning may not apply on a proportional basis to all insurers subject to ORSA requirements. What is more, we cannot over-emphasize that for forward-</p>

			looking recovery planning (as envisaged under CF 16.13) to be effective it must be IAIG driven. It must also reflect material risks and the manner in which these risks should be managed as determined by IAIG management. In this way recovery planning presents a menu of options available to management to restore financial strength and viability. Because the actual stress scenarios are inherently unpredictable, management must maintain wide discretion to select and utilize the appropriate recovery tools .
57. Property Casualty Insurers Association of America (PCI)	USA	No	PCI believes the text remains overly prescriptive and without sufficient consideration of materiality issues. However, please see PCI's comments and recommendations at Q1 for the ComFrame introduction in regard to the overarching concepts described therein. If the IAIS were to adopt those recommendations, readers could then have the necessary and overarching context in which to read and to better understand and interpret the intent of the text which is the subject of this question. Otherwise this standard remains overly prescriptive.
58. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Similar to our comments on the ComFrame material under ICP 8, while we agree that the overall strategies outlined in the ComFrame material under ICP 16 should be subject to review and oversight by the Head of the IAIG, we are concerned that some of the standards and guidance continue to require a centralized structure where all strategies and policies are dictated by the Head of the IAIG. In our experience, insurance groups can also be effectively managed under decentralized approaches, whereby significant responsibility is delegated to legal entity and/or other intermediate holding company levels for strategic planning and risk management. Under such a decentralized model, the Head of the IAIG can provide general guidance and strategic direction to intermediate holding companies or legal entities, but such a structure allows certain strategic decisions to be made and policies to be developed at a local level. In addition, such an approach allows the Head of the IAIG to focus on the more substantive group-wide issues, as opposed to using up valuable resources to develop a superstructure of functions and policies at a level above which such structures may be most relevant. While other recent IAIS work appears to recognize the variety of governance approaches insurance groups may have, this does not come across in some of the ComFrame material, which continues to assume a centralized approach for all IAIGs. See our comment and proposed solution related to paragraph 24 of the Introduction.
Q8 Comment on ComFrame Standard CF16.1.a			
59. Global Federation of Insurance Associations	Global	No	The requirement in CF 16.1.a for "the group-wide ERM framework to be as consistent as possible across its legal entities" may not always be appropriate. For example, it may be possible to have the same framework everywhere, but not necessarily desirable due to differences in local markets. This requirement appears to be suggesting that consistency should over-ride local needs.
60. American Council of Life Insurers	Office of General Counsel	No	This standard is slanted towards a centralized governance approach. Local nuances may exist; the ERM policy will be developed at group level but may be applied slightly different at local entity level to suit local markets, products, etc.

61. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA is of the opinion, that an ERM framework needs to take into account various business models, including more centralized or more decentralized approaches. It should allow to appropriately addressing specific circumstances, including the various levels of risk exposure of legal entities. In our view, the current language needs clarification to allow for this.
62. Association of British Insurers	United Kingdom	No	In the first bullet point, the phrase "as consistent as possible" is ambiguous. For example, it may be possible but not necessarily desirable to have the same framework due to differences in local markets - this would imply that the need for consistency should override local considerations.
63. American Academy of Actuaries	United States of America	No	Consider adding clarification or qualification to this requirement, such that consistency is only required where the entity's risk is material to the entity's and group's overall risk profile and the risk profile is sufficiently similar to the rest of the group to warrant a consistent framework. While application of a consistent ERM framework is an important goal, the framework should allow the flexibility to adjust for differences in regulatory requirements, risk profile, materiality, etc. Where an entity's contribution to the group's risk is not material or the entity has a risk profile very different from the rest of the group, a different approach to ERM might be more effective and efficient. Prescribing consistency in these instances may require actions that bring a cost or a negative benefit.
64. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q9 Comment on ComFrame Standard CF16.1.b			
65. Insurance Europe	Europe	No	The ERM framework should cover at least several enumerated risks. It is unclear what is meant by "group risk".
66. General Insurance Association of Japan	Japan	No	CF16.1.b.1 states that each risk category does not have to be managed separately. However, the phrase "cover at least" in this standard seem to contradict with the flexibility provided by the guidance. Therefore "cover at least" should be removed as follows: "The group-wide supervisor requires the group-wide ERM framework to take into account the following risks and the management of these risks in a cross-border context".
67. American Council of Life Insurers	Office of General Counsel	No	We question whether any list of risk categories can be appropriate and relevant to all IAIGs. We recommend that the principle require the outcome of consideration of those risk categories that are relevant within a cross-border context, as distinguished from a prescriptive list. It is not clear what "group risk" is and why it is not embedded in other risks.

68. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	In FINMA's view, it is not appropriate to have a minimum list of risks at standard level. Focus should be on material risks in general in a cross-border context. Examples of risks could be mentioned at ComFrame guidance level, but this should preferably be in ICP material.
69. American Academy of Actuaries	United States of America	No	Consider adding "Regulatory (Jurisdictional) Risk" to the list of risks required to be covered in group-wide ERM framework.
70. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
71. Prudential Financial, Inc.	United States of America	No	<p>ComFrame standards should focus on substance over form. In the case of this standard, the focus should be ensuring the group-wide supervisor ensures the group-wide ERM framework covers all relevant risks versus providing a prescriptive list to address. We recommend revising the standard to read as follows - "The group-wide supervisor requires the group-wide ERM framework to consider all relevant risks, and their implications at the legal entity and group-wide level." And the prescriptive list of risk types be removed.</p> <p>Further, we note that we do not agree that "group risk" is a unique risk. Rather, we see it as an outcome of other risks that is best addressed by reflecting inter-relationships within the group (e.g., guarantees, reinsurance, etc.) when evaluating the primary risks. If retained in the guidance, the IAIS should provide a definition of group risk to clarify why it is appropriate to reflect it as a unique risk.</p>
72. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Having a separate bullet for concentration risk is questionable considering concentration risk can be embedded within many of the other risks listed, including specifically credit risk, where diversification can be a key risk-management technique. Suggest deleting this bullet as it is already captured by other risks listed.
Q10 Comment on ComFrame Guidance CF16.1.b.1			
73. Insurance Europe	Europe	No	Insurance Europe appreciates this clarification.

74. Global Federation of Insurance Associations	Global	No	GFIA appreciates this clarification.
75. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q11 Comment on ComFrame Standard CF16.1.c			
76. AIA Group	Hong Kong	No	We suggest adding the wording "where appropriate" to third bullet point, as qualitative and quantitative restrictions on risks from intra-group transactions may not apply for all insurers and some insurers may choose to accept this risk within their appetite without establishing any restrictions.
77. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	Editorial remark: "explicitly group-wide" in the first part of the standard should be deleted.
79. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
80. Prudential Financial, Inc.	United States of America	No	The terms "substantial importance" and "significant consequence" are vague and overly complicate the standard. Further, use of the word "explicitly" highlights another instance of over prescriptiveness and should be removed. We recommend rewriting the standard to read as follows - "The group-wide supervisor requires the group-wide ERM framework to consider material intra-group transactions through mechanisms to keep track of them and their associated risks and qualitative and/or quantitative restrictions on such risks."
Q12 Comment on ComFrame Guidance CF16.1.c.1			
81. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

Q13 Comment on ComFrame Guidance CF16.1.c.2			
82. AIA Group	Hong Kong	No	We suggest rewording the language to: "The IAIG's risk assessment of its IGT should consider, where material, among other factors ..." This would incorporate the materiality of IGT such that the Head of IAIG wouldn't be overly burdened on assessing all IGTs.
83. General Insurance Association of Japan	Japan	No	Fungibility of capital is also discussed in the ICS version 2.0 consultation document. The implementation of this item should be flexible until discussion on the fungibility of capital under the ICS moves forward.
84. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q14 Comment on ComFrame Guidance CF16.1.c.3			
85. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q15 Comment on ComFrame Guidance CF16.1.c.4			
86. Global Federation of Insurance Associations	Global	No	In the paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However there some provisions that are not clear to allow for the difference in governance model. Under such circumstances, GFIA is concerned that it likely leads to a misunderstanding that more centralised model should be appropriate in place, as in this provision that it is not clarified that both more centralized model and more decentralized model are allowed. Therefore, it should be amended to ensure that not only more centralised model but also more decentralized are fit in the group-wide investment policy. GFIA suggests adding "Where asset management is concentrated in the group" at the beginning or add "Where individual legal entities independently manage each portfolio, the Head of IAIG substitutes the group-wide investment policy by presenting the minimum viewpoint of risk management, monitoring and instructing individual legal entities."
87. The Life Insurance Association of Japan	Japan	No	In the paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However there are some provisions that are not clear to allow for the difference in governance model. Under such circumstances, we are concerned that it likely leads to a misunderstanding that more centralised model should be appropriate in place, as in this provision that it is not clarified that both more centralized model

			<p>and more decentralized model are allowed. it should be amended to ensure that not only more centralised model but also more decentralized is fit in the group-wide investment policy.</p> <p>We suggest adding "Where asset management is concentrated in the group" at the beginning or adding "Where individual legal entities independently manage each portfolio, the Head of IAIG sets the group-wide investment policy by presenting the minimum perspective of risk management, monitoring and offering guidance on individual legal entities."</p> <p>In the first paragraph, "that may change the risk profile of the group" seems too broad to scope where any financial or other activities, which fluctuate risk profile, we suggest that scope should be limited to material risk profile.</p>
88. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q16 Comment on ComFrame Standard CF16.2.a			
89. Insurance Europe	Europe	No	Requiring an economic capital model to be used by IAIGs is not appropriate. First, it is possible to manage risk effectively through tools other than economic capital models. Second, some organisations may have strong incentives to manage risk and capital through their applicable regulatory framework. In that circumstance, a distinct economic capital model has little practical value.
90. AIA Group	Hong Kong	No	We suggest rewording to "measures all reasonably foreseeable and relevant material risks that it wishes to hold capital against using an economic capital model" as insurers may not choose to hold capital against all of its risks, and there are some risks that is difficult to accurately quantify using economic capital model (e.g. liquidity).
91. International Actuarial Association	International	No	This ComFrame Standard focuses solely on the development of an EC model by the IAIG. It fails to comment on a significant omission in ICP 16.2.5 through 16.2.5.17. These guidance elements focus almost exclusively on internal models and fail to impose any duty on an insurer or group to understand the implications of the use of external models. The IAA highly recommends that this duty be added via a ComFrame element for IAIG's. The IAA notes that CF 16.7.d third bullet makes references only to « internal » models.
92. American Council of Life Insurers	Office of General Counsel	No	Although economic capital models have merit and are frequently important risk management tools, they should not be required of all IAIGs, particularly when comparable models are required by the IAIG's regulatory solvency framework. In that circumstance, the benefits may not outweigh the costs of developing and maintaining another, distinct model. It is possible to manage risk effectively through tools other than economic capital models, and some organizations may have strong incentives to manage risk and capital through the regulatory framework.

93. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	In FINMA's view, not all types of risks are equally suitable for quantification by a model (e.g. political risk). Therefore, supervisory regimes may accept other more qualitative ways to deal with such risks. We therefore suggest adding "quantifiable", reading then: [...all reasonably foreseeable, quantifiable and relevant material risks...].
94. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
95. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	What is most important for group supervision is for supervisors to understand and agree upon the major risks faced by the IAIG and to know what the IAIG is doing to mitigate or address those risks. All insurers have their own unique characteristics, and the regulatory and supervisory approach should recognize this and provide the flexibility needed to adapt to each unique situation. The group-wide supervisor and supervisory college meeting participants should identify and agree upon the material risks of the group (including those that might come as a result of different risk appetites across different legal entities). While this may be desirable, this standard should be deleted or otherwise revised as it is too prescriptive to be practical and implementable.
Q17 Comment on ComFrame Guidance CF16.2.a.1			
96. American Council of Life Insurers	Office of General Counsel	No	Although economic capital models have merit and are frequently important risk management tools, they should not be required of all IAIGs, particularly when comparable models are required by the IAIG's regulatory solvency framework. In that circumstance, the benefits may not outweigh the costs of developing and maintaining another, distinct model. It is possible to manage risk effectively through tools other than economic capital models, and some organizations may have strong incentives to manage risk and capital through the regulatory framework.
97. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
98. Prudential Financial, Inc.	United States of America	No	We recommend revising this point of guidance to read as follows - "The IAIG should quantify and prioritize its risks in a consistent and reliable manner using appropriate means, including the use of an economic capital model."
Q18 Comment on ComFrame Guidance CF16.2.a.2			

99. AIA Group	Hong Kong	No	We suggest removing the second sentence "The economic capital model should support major management decisions by focusing attention on capital adequacy." as economic capital model may not capture regulatory capital adequacy in the jurisdictions within which we operate.
100. American Council of Life Insurers	Office of General Counsel	No	Although economic capital models have merit and are frequently important risk management tools, they should not be required of all IAIGs, particularly when comparable models are required by the IAIG's regulatory solvency framework. In that circumstance, the benefits may not outweigh the costs of developing and maintaining another, distinct model. It is possible to manage risk effectively through tools other than economic capital models, and some organizations may have strong incentives to manage risk and capital through the regulatory framework.
101. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
102. Prudential Financial, Inc.	United States of America	No	It is important to acknowledge the relevance of other capital measures that may be of equal or greater relevance for supporting major management decisions through focusing attention on capital adequacy. We recommend revising this point of guidance to read as follows to address this point - "The economic capital model should be based on techniques that estimate the amount of capital needed in reasonably foreseeable adverse situations to which the IAIG is or may be exposed. The economic capital model, in conjunction with other relevant capital measures (e.g., regulatory capital requirements), should support major management decisions by focusing attention on capital adequacy.
Q19 Comment on ComFrame Guidance CF16.2.a.3			
103. American Council of Life Insurers	Office of General Counsel	No	Although economic capital models have merit and are frequently important risk management tools, they should not be required of all IAIGs, particularly when comparable models are required by the IAIG's regulatory solvency framework. In that circumstance, the benefits may not outweigh the costs of developing and maintaining another, distinct model. It is possible to manage risk effectively through tools other than economic capital models, and some organizations may have strong incentives to manage risk and capital through the regulatory framework.
104. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q20 Comment on ComFrame Standard CF16.2.b			
105. Insurance Europe	Europe	No	Reverse stress testing is only relevant for the purpose of internal model validations and is therefore irrelevant in this context.

106. Global Federation of Insurance Associations	Global	No	It should be clarified that scenarios and stresses are not established by the group-wide supervisors but insurers.
107. AIA Group	Hong Kong	No	Despite their remote likelihood, many different combinations of scenarios could result in business failure. As such, we believe performing reverse stress testing may not give additional insight compared to stress testing and scenario analysis. We propose reconsidering the requirement for reverse stress testing and that it is complimentary to stress testing and scenario analysis and is only required to be performed if regular stress testing is not severe and comprehensive enough to reflect the true risk of the insurer.
108. International Actuarial Association	International	No	Neither CF 16.2.b nor its underlying ICP 16.2.21 are correct in their suggestion that reverse stress testing focuses on scenarios « most likely to cause an insurer to fail ». As was indicated in the IAA's January 2018 response to the IAIS, « The brief mention of reverse stress testing in 16.12.14 is different to the normal usage of this - reverse stress testing does not normally consider scenarios that are "likely to cause" business failure" but those that could. The IAA recommends a definition it has developed for reverse stress testing as follows "Reverse Stress Test (ISAP 6) - A process for identifying events or scenarios that would lead to a predetermined adverse outcome for an organization."
109. The Life Insurance Association of Japan	Japan	No	It should be clarified that scenarios and stresses are not established by the group-wide supervisors but insurers.
110. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
111. Prudential Financial, Inc.	United States of America	No	While reverse stress testing may be useful for evaluating remote risks, we do not believe it is appropriate to mandate such an exercise. We recommend revising this standard to read as follows to more appropriately focus on the substance of the practice that should be required over the form - "The group-wide supervisor requires the IAIG's risk measurement to include a robust approach to stress testing and scenario analysis."
Q21 Comment on ComFrame Guidance CF16.2.b.1			
112. Swiss Financial Market	Switzerland	No	FINMA suggests replacing "business plan" with "risk profile" for the sake of consistency with the standard.

Supervisory Authority (FINMA)			
113. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q22 Comment on ComFrame Standard CF16.2.c			
114. Insurance Europe	Europe	No	<p>ICP 8.4.4 provides that the risk management function's activities include "conduct regular self-assessments".</p> <p>Furthermore, CF8.7.a already requires that the internal audit function provides "independent assessment and assurance regarding the design and operational effectiveness of the group-wide risk management and internal control systems, both individually and overall". This will implicitly include the ERM framework. The frequency of such reviews will be determined by the internal audit function on a risk based approach.</p> <p>An independent review of the ERM framework every three years is overly onerous and imposes another constraint on IAIGs in an area which is already well regulated - as such, the costs outweigh the benefits.</p>
115. German Insurance Association	Germany	No	An independent review of the ERM framework every three years is overly onerous and imposes another constraint on IAIGs in an area which is already well regulated. The requirement should be deleted.
116. Global Federation of Insurance Associations	Global	No	<p>An independent review of the ERM framework every three years is overly onerous and imposes another constraint on IAIGs in an area which is already well regulated - as such, the costs outweigh the benefits.</p> <p>The nature of review should be at the discretion of the insurer and such a review may be best undertaken by the risk management function who will have practical experience of how the framework has operated, GFIA therefore recommends that "independently" is deleted from CF16.2. c.</p> <p>CF8.7. already requires that the internal audit function provides independent assessment and assurance regarding the design and operational effectiveness of the group-wide risk management and internal control systems, both individually and overall. This will implicitly include the ERM framework. The frequency of such reviews will be determined by the internal audit function on a risk-based approach.</p>

117. AIA Group	Hong Kong	No	We suggest changing the frequency of independent review from "at least once every three years" to "regularly" so this ICP remains principle based. It would allow insurers to determine the frequency of review that is appropriate for the particular insurer.
118. Association of British Insurers	United Kingdom	No	<p>The ABI does not consider it appropriate to specify that the group-wide ERM framework be independently reviewed at least once in every three years. The nature of review should be at the discretion of the insurer, and such a review may be best undertaken by the risk management function who will have practical experience of how the framework has operated. We therefore recommend that "independently" is deleted from CF16.2.c.</p> <p>CF8.7.a already requires that the internal audit function provides independent assessment and assurance regarding the design and operational effectiveness of the group-wide risk management and internal control systems, both individually and overall. This will implicitly include the ERM framework. The frequency of such reviews will be determined by the internal audit function using a risk-based approach.</p>
119. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
120. Liberty Mutual Insurance Group	USA	No	CF 16.2.c imposes what would likely be an extremely costly requirement that an IAIG have its "group wide ERM framework" be independently reviewed at least once every three years, without regard to the lack of any specific cause for concern about the effectiveness of an IAIG's ERM, other than the possibility that stressors no longer may be up-to-date. This directive ignores the fact that in many organizations, such as Liberty Mutual, ERM is integrated with the company's overall operations and it is not simply a module that can be segregated from the rest of the company's risk management controls. This is not as simple as an audit of a company's reserves or its accounting methods. In addition, this provision does not describe who would be authorized or qualified to do such a review. It is possible that the imposition of this requirement would simply shift to the reviewer potential liability in connection with approving an ERM framework creating material new expense for companies and their policyholders.
Q23 Comment on ComFrame Guidance CF16.2.c.1			
121. Insurance Europe	Europe	No	In line with the previous comment, Insurance Europe considers such an independent review should not be required.
122. Global Federation of	Global	No	In line with our comments under CF16.2.c GFIA considers that a review of the framework would be better undertaken by a function that has practical experience of how it has operated than an external function independent of the framework. GFIA therefore recommends that CF16.2. c.1 is deleted

Insurance Associations			
123. Association of British Insurers	United Kingdom	No	In line with our comments under CF16.2.c (Q22), the ABI considers that a review of the framework would be better undertaken by a function that has practical experience of how it has operated, rather than an external function independent of the framework. We therefore recommend that CF16.2.c.1 is deleted.
124. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q24 Comment on ComFrame Guidance CF16.2.c.2			
125. German Insurance Association	Germany	No	In line with the previous comment (see CF 16.2.c), GDV considers such an ad-hoc review should not be required.
126. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q25 Comment on ComFrame Standard CF16.4.a			
127. Insurance Europe	Europe	No	Insurance Europe is still not convinced that this Standard is necessary in the context of ICP 16.4. and questions what the supervisory objective of requiring IAIGs to communicate their risk appetite externally would be. Standard CF16.4.a as well as Guidance CF16.4.a.1 should be deleted.
128. Global Federation of Insurance Associations	Global	No	GFIA is not convinced that this Standard is necessary in the context of ICP 16.4. and questions what the supervisory objective of requiring IAIGs to communicate their risk appetite externally would be. Standard CF16.4. a as well as Guidance CF16.4.a.1 should be deleted.
129. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

130. Prudential Financial, Inc.	United States of America	No	We do not it believe it is appropriate to call for an IAIG to report its risk appetite "externally", which is overly broad. We recommend revising the standard to read as follows to address this concern - "The group-wide supervisor requires the group-wide ERM framework to establish and maintain processes to communicate its risk appetite to relevant internal stakeholders and the group-wide supervisor."
Q26 Comment on ComFrame Guidance CF16.4.a.1			
131. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
132. Prudential Financial, Inc.	United States of America	No	Per our comments on CF 16.4.a, this point of guidance should be deleted.
133. American Property Casualty Insurance Association (APCI)	USA	No	AIA appreciates the recognition that the "granularity of disclosure may differ between internal and external communication".
Q27 Comment on ComFrame Standard CF16.6.a			
134. General Insurance Association of Japan	Japan	No	Considering the IAIS resolution on the results of the public consultation in November 2017, we understand this standard does not intend to require IAIGs to create uniform, IAIG-wide criteria on the quality of asset investment or to provide a uniform approach to low-quality investments. However, we are concerned that this standard could be misinterpreted to provide a specific uniform approach by referring specifically to "establish and maintain a group-wide investment policy". Therefore, we suggest adding the following sentence at the end of this standard: "However, alternative approaches other than a uniform group-wide investment policy should be allowed according to factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of individual entities within the IAIG". Additionally, investment and other policies should vary significantly depending on the business composition of each entity. Therefore, we suggest revising these standards to allow for entity-specific policies on issues other than investment such as risk management.
135. The Life Insurance	Japan	No	In the paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However there are some provisions that are not clear to allow for the difference in

Association of Japan			<p>governance model. Under such circumstances, we are concerned that it likely leads to a misunderstanding that more centralised model should be appropriate in place, as in this provision that it is not clarified that both more centralized model and more decentralized model are allowed. Therefore, it should be amended to ensure that not only more centralised model but also more decentralized is fit in the group-wide investment policy.</p> <p>We suggest adding "Where asset management is concentrated in the group" at the beginning or adding "Where individual legal entities independently manage each portfolio, the Head of IAIG sets the group-wide investment policy by presenting the minimum perspective of risk management, monitoring and offering guidance on individual legal entities."</p>
136. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA is of the opinion that, when a group policy is a requirement, it should be ensured that this does not preclude an insurance group to run either a more centralized or a more decentralized business model approach. This should be considered for every insurance group, not only IAIGs.
137. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
138. American Property Casualty Insurance Association (APCI)	USA	No	The requirement of action on the part of the "head of the IAIG" here reflects a bias in favor of centralized IAIGs rather than decentralized models, contrary to the overarching concept stated on page 3 of the CD that "ComFrame does not favour any particular governance model and instead focuses on the outcomes that the governance model needs to achieve". References to "the Head of the IAIG" in standards 16.6.a. through e. should be deleted. Compliance with these standards by the IAIG should be sufficient.
139. Property Casualty Insurers Association of America (PCI)	USA	No	References to "the Head of the IAIG" in standards a. through e. should be deleted. Compliance with these standards by the IAIG should be sufficient.
Q28 Comment on ComFrame Guidance CF16.6.a.1			
140. Insurance Europe	Europe	No	Insurance Europe supports the explicit reference to jurisdictional requirements.

141. Global Federation of Insurance Associations	Global	No	<p>GFIA supports the explicit reference to jurisdictional requirements.</p> <p>In the paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However there some provisions that are not clear to allow for the difference in governance model. Under such circumstances, GFIA is concerned that it likely leads to a misunderstanding that more centralised model should be appropriate in place, as in this provision that it is not clarified that both more centralized model and more decentralized model are allowed. Therefore, it should be amended to ensure that not only more centralised model but also more decentralized are fit in the group-wide investment policy. GFIA suggests adding "Where asset management is concentrated in the group" at the beginning or add "Where individual legal entities independently manage each portfolio, the Head of IAIG substitutes the group-wide investment policy by presenting the minimum viewpoint of risk management, monitoring and instructing individual legal entities."</p>
142. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q29 Comment on ComFrame Standard CF16.6.b			
143. Insurance Authority (IA)	China, Hong Kong	No	Suggest to amend as - "The group-wide supervisor requires the Head of the IAIG to set minimum criteria for the liquidity, currency and location of ..." to stress the consideration of currency mis-match risk
144. Global Federation of Insurance Associations	Global	No	In the paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However, there are some provisions that do not clearly allow for the difference in governance models. Under such circumstances, GFIA is concerned that it likely leads to a misunderstanding that only the more centralised model is appropriate, as in this provision. Therefore, this provision should be amended to ensure that not only a more centralised model but also a more decentralized model would be appropriate in connection with the group-wide liquidity management. GFIA suggests adding "Where cash management is concentrated in the group" at the beginning or add "Where individual legal entities independently manage each cash, the Head of IAIG substitutes the group-wide investment policy by presenting the minimum viewpoint of risk management, monitoring and instructing individual legal entities."
145. AIA Group	Hong Kong	No	Minimum criteria for liquidity and location of investment may not be appropriate for all insurers as some may choose to accept this risk. Suggest adding wording "where appropriate".

146. General Insurance Association of Japan	Japan	No	IAIGs should be allowed to establish their investment policies not only on a group-wide basis, but also on an entity-by-entity basis. Investment portfolio liquidity of entities within an insurance group should be examined on an individual-basis taking into account factors such as their reinsurance policies and insurance contract portfolios, or major hazards and governmental involvement in jurisdictions where they operate. It is not always necessary to create uniform, IAIG-wide criteria. Therefore, we suggest adding the following sentence at the end of this standard: "However, alternative approaches other than a uniform group-wide investment policy should be allowed according to factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of individual entities within the IAIG". Additionally, investment and other policies should vary significantly depending on the business composition of each entity. Therefore, we suggest revising these standards to allow for entity-specific policies on issues other than investment such as risk management.
147. The Life Insurance Association of Japan	Japan	No	In the paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However there are some provisions that are not clear to allow for the difference in governance model. Under such circumstances, we are concerned that it likely leads to a misunderstanding that more centralised model should be appropriate in place, as in this provision that it is not clarified that both more centralized model and more decentralized model are allowed. Therefore, it should be amended to ensure that not only more centralised model but also more decentralized one is fit in the group-wide liquidity management. We suggest adding "Where cash management is concentrated in the group" at the beginning or adding "Where individual legal entities independently manage each cash, the Head of IAIG sets the group-wide investment policy by presenting the minimum perspective of risk management, monitoring and offering guidance on individual legal entities."
148. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA is of the opinion that, when a group policy is a requirement, it should be ensured that this does not preclude an insurance group to run either a more centralized or a more decentralized business model approach. This should be considered for every insurance group, not only IAIGs.
149. Swiss Re	Switzerland	No	We appreciate that CF16.6.b and CF16.6.b.1 address the issue of optionally setting the minimum criteria for liquidity in either the liquidity policy or the group-wide investment policy.
150. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q30 Comment on ComFrame Guidance CF16.6.b.1			

151. General Insurance Association of Japan	Japan	No	IAIGs should be allowed to establish their investment policy not only on a group-wide basis, but also on an entity-by-entity basis. Investment portfolio liquidity of entities within an insurance group should be examined on an individual basis taking into account factors such as their reinsurance policies and insurance contract portfolios, or major hazards and governmental involvement in jurisdictions where they operate. It is not always necessary to create uniform, IAIG-wide criteria.
152. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q31 Comment on ComFrame Standard CF16.6.c			
153. Insurance Authority (IA)	China, Hong Kong	No	Suggest to add that - "... so that the assets are properly diversified and asset concentration risk is mitigated according to its risk appetite."
154. Insurance Europe	Europe	No	Insurance Europe proposes the redrafting of the provisions. While it appreciates that diversification and avoidance of concentration are appropriate concepts that should be part of good risk management, Insurance Europe notes that, in some regimes, such concerns are dealt with by defining capital requirements to cover for such risks (and implicitly act as disincentives) as opposed to setting limits on types of assets/counterparts/etc. Insurance Europe proposes the following redrafting: "The group-wide supervisor requires the Head of the IAIG to set limits where appropriate, or consider other requirements, in the group-wide investment policy, to ensure effective risk management, including with respect to diversification and asset concentration."
155. Global Federation of Insurance Associations	Global	No	GFIA proposes the redrafting of the provisions. While it appreciates that diversification and avoidance of concentration are appropriate concepts that should be part of good risk management, GFIA notes that, in some regimes, such concerns are dealt with by defining capital requirements to cover for such risks (and implicitly act as disincentives) as opposed to setting limits on types of assets/counterparts/etc. GFIA proposes the following redrafting: "The group-wide supervisor requires the Head of the IAIG to set limits where appropriate, or consider other requirements, in the group-wide investment policy, to ensure effective risk management, including with respect to diversification and asset"

156. General Insurance Association of Japan	Japan	No	This standard requires an IAIG to set limits to mitigate asset concentration in its group-wide investment policy. However, IAIGs should be allowed to establish their investment policies not only on a group-wide basis, but also on an entity-by-entity basis. IAIGs could set such limits on an entity basis, depending on factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of their individual group entities. Therefore, we suggest adding the following sentence at the end of this standard: "However, alternative approaches other than a uniform group-wide investment policy should be allowed according to factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of individual entities within the IAIG". Additionally, investment and other policies should vary significantly depending on the business composition of each entity. Therefore, we suggest revising these standards to allow for entity-specific policies on issues other than investment such as risk management.
157. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q32 Comment on ComFrame Guidance CF16.6.c.1			
158. Insurance Europe	Europe	No	See comment on ComFrame Standard CF16.6.c. Insurance Europe suggests the following redrafting: "The IAIG should include, in its investment policy, references to either internal or regulatory requirements that deal with concentrations risk in any particular: - type of asset; - issuer/counterparty or related entities of an issuer/ counterparty; - financial market; - industry; or - geographic area."
159. Global Federation of Insurance Associations	Global	No	See comment on ComFrame Standard CF16.6. c. GFIA suggests the following redrafting: "The IAIG should include, in its investment policy, references to either internal or regulatory requirements that deal with concentrations risk in any particular: type of asset; issuer/counterparty or related entities of an issuer/ counterparty; financial market; industry; or geographic area." In paragraph 24 of the ComFrame introduction, it is stated that IAIGs have different models of governance (i.e. more centralised or more decentralised). However, there are some provisions that do not clearly allow for the difference in governance models. Under such circumstances, GFIA is concerned that it likely leads to a misunderstanding that a more

			centralised model in the only appropriate model. Therefore, this provision should be amended to ensure that not only a more centralised model but also a more decentralized model would be recognized in connection with the group-wide investment policy. GFIA suggests adding: "Where asset management is concentrated in the group" at the beginning or add "Where individual legal entities independently manage each portfolio, the Head of IAIG substitutes the group-wide investment policy by presenting the minimum viewpoint of risk management, monitoring and instructing individual legal entities."
160. General Insurance Association of Japan	Japan	No	With regard to the reference on "financial market", we assume that this criteria was added to capture concentrations on segments which is difficult to capture through items such as "type of assets" or "geographic area". We would be appreciative if we could learn whether there is any particular market envisaged such as stock exchange.
161. The Life Insurance Association of Japan	Japan	No	<p>In the paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However there are some provisions that are not clear to allow for the difference in governance model. Under such circumstances, we are concerned that it likely leads to a misunderstanding that more centralised model should be appropriate in place, as in this provision that it is not clarified that both more centralized model and more decentralized model are allowed. Therefore, it should be amended to ensure that not only more centralised model but also more decentralized is fit in the group-wide investment policy.</p> <p>We suggest adding "Where asset management is concentrated in the group" at the beginning adding "Where individual legal entities independently manage each portfolio, the Head of IAIG sets the group-wide investment policy by presenting the minimum perspective of risk management, monitoring and offering guidance on individual legal entities."</p>
162. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q33 Comment on ComFrame Standard CF16.6.d			
163. Insurance Europe	Europe	No	<p>Insurance Europe suggests that this standard is reconsidered to ensure consistency with the other standards relating to investments. Specifically, Insurance Europe believes that the same objectives of security and risk management should apply to all of an insurer' assets, independent of whether the asset holdings are related to entities in the group or not. Insurance Europe proposes that 1) this standard is removed and 2) reference to intra-group investments is introduced in the previous standard.</p> <p>With respect to issues such as capital resources, reputational risk, valuation uncertainty - such issues should be covered in relevant ICPs/ComFrame material that deal with these issues (eg ICP 17 on capital resources, ICP 14 on valuation, etc).</p>

164. Global Federation of Insurance Associations	Global	No	<p>GFIA suggests that this Standard is reconsidered to ensure consistency with the other standards relating to investments.</p> <p>GFIA proposes that 1) this standard is removed and 2) reference to intra-group investments is introduced in the previous standard.</p> <p>With respect to issues such as capital resources, reputational risk, valuation uncertainty - such issues should be covered in relevant ICPs/ComFrame material that deal with these issues (e.g. ICP 17 on capital resources, ICP 14 on valuation, etc).</p> <p>In paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However, there are some provisions that are not clear to allow for the difference in governance model. Under such circumstances, GFIA is concerned that it likely leads to a misunderstanding that more centralised model should be appropriate in place, as in this provision that it is not clarified that both more centralized model and more decentralized model are allowed. Therefore, it should be amended to ensure that not only more centralised model but also more decentralized are fit in the group-wide investment policy. GFIA suggests to add "Where a large risk transfer is conducted in the group" at the beginning, "Where asset management is concentrated in the group" at the beginning or add "Where individual legal entities independently manage each portfolio, the Head of IAIG substitutes the group-wide investment policy by presenting the minimum viewpoint of risk management, monitoring and instructing individual legal entities."</p>
165. General Insurance Association of Japan	Japan	No	<p>This standard requires an IAIG to establish criteria on intra-group investments in its group-wide investment policy. However, IAIGs should be allowed to establish their investment policies not only on a group-wide basis, but also on an entity-by-entity basis. IAIGs could establish such criteria, depending on factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of their individual group entities.</p> <p>Therefore, we suggest adding the following sentence at the end of this standard: "However, alternative approaches other than a uniform group-wide investment policy should be allowed according to factors such as the nature of businesses, the characteristics of liabilities, asset management systems, and the financial strength of individual entities within the IAIG".</p> <p>Additionally, investment and other policies should vary significantly depending on the business composition of each entity. Therefore, we suggest revising these standards to allow for entity-specific policies on issues other than investment such as risk management.</p>
166. The Life Insurance Association of Japan	Japan	No	<p>In the paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However there are some provisions that are not clear to allow for the difference in governance model. Under such circumstances, we are concerned that it likely leads to a misunderstanding that more centralised model should be appropriate in place, as in this provision that it is not clarified that both more centralized model and more decentralized model are allowed. Therefore, it should be amended to ensure that not only more centralised model</p>

			<p>but also more decentralized is fit in the group-wide investment policy.</p> <p>We suggest adding "Where a large risk transfer is conducted in the group" at the beginning, "Where asset management is concentrated in the group" at the beginning or adding "Where individual legal entities independently manage each portfolio, the Head of IAIG sets the group-wide investment policy by presenting the minimum perspective of risk management, monitoring and offering guidance on individual legal entities."</p>
167. Swiss Re	Switzerland	No	We greatly appreciate that IAIS has implemented our feedback concerning the criteria on intra-group investments in the group-wide investment policy.
168. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q34 Comment on ComFrame Guidance CF16.6.d.1			
169. Insurance Europe	Europe	No	This guidance should be removed, see comment above.
170. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q35 Comment on ComFrame Standard CF16.6.e			
171. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q36 Comment on ComFrame Guidance CF16.6.e.1			
172. Insurance Authority (IA)	China, Hong Kong	No	Suggest to add the following statement at the end of the clause - "Justification should be provided if the noncompliance is to be recommended; otherwise, a rectification plan is needed to bring the exposure back within limits within a reasonable timeframe."

173. AIA Group	Hong Kong	No	Depending on the risk governance framework of each insurer, not all exposures exceeding limit needs to be reported to the IAIG Board (particularly if it's a legal entity level limit). Suggest to add wording of "where material" to this, could also reword to "should be reported to the IAIG Board and/or Senior Management ...".
174. General Insurance Association of Japan	Japan	No	When the group-wide investment exposure exceeds the limits, it is also relevant to report the information to the relevant committees set up under the Board. Therefore, the guidance should be revised as follows: "Group-wide investment exposures that exceed limits, or any other non-compliance, should be reported to the IAIG Board or one of its committees, and Senior Management, upon identification. Reports to the IAIG Board or one of its committees and Senior Management should include material exposures that, even if within limits, could create financial difficulties within the IAIG if the value or liquidity of the investments decreases".
175. Swiss Re	Switzerland	No	It is unrealistic, and also ineffective, to require report of investment limit breaches to the Board, upon identification. Boards meet periodically and typically delegate day-to-day limit monitoring tasks to senior management.
176. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q37 Comment on ComFrame Standard CF16.7.a			
177. General Insurance Association of Japan	Japan	No	Data should be collected taking into account of the objective of its use. It is not necessary to establish unified procedures within an IAIG that covers all data being used. Also, monitoring practices for the use of data within the group-wide ERM framework will create duplication of work. Therefore, "as necessary" should be added as follows: "The group-wide supervisor requires the Head of the IAIG to ensure that the IAIG implements its group-wide ERM framework by establishing procedures and monitoring practices, as necessary, for the use of sufficient, reliable and relevant data for its underwriting, pricing, reserving and reinsurance processes".
178. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q38 Comment on ComFrame Standard CF16.7.b			
179. Insurance Europe	Europe	No	While Insurance Europe agrees that having a "group-wide claims management policy' could be useful for an IAIG, it believes that it should be at the discretion of the group to decide whether it establishes such a group-wide claims management policy, and what the content of such a policy would be.

			Insurance Europe would further suggest that this Standard on claims management goes beyond covering enterprise risk management for solvency purposes. Claims management generally is more of a governance topic than purely relating to risk management (or IAIGs for that matter). Insurance Europe would suggest that the Standard may be better placed in ICP 8 or elsewhere.
180. German Insurance Association	Germany	No	While GDV agrees that having a "group-wide claims management policy" could be useful for an IAIG, it believes that it should be at the discretion of the group to decide whether it establishes such a group-wide claims management policy, and what the content of such a policy would be.
181. Global Federation of Insurance Associations	Global	No	<p>While GFIA agrees that having a "group-wide claims management policy" could be useful for an IAIG, GFIA is of the view that it should be at the discretion of the group to decide whether it establishes such a group-wide claims management policy, and what the content of such a policy would be.</p> <p>GFIA would further suggest that this Standard on claims management goes beyond covering enterprise risk management for solvency purposes. Claims management generally is more of a governance topic than purely relating to risk management (or IAIGs for that matter). GFIA would suggest that the Standard may be better placed in ICP 8 or elsewhere.</p> <p>In the paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However, there are some provisions that do not clearly allow for the difference in governance models. Under such circumstances, GFIA is concerned that it likely leads to a misunderstanding that only a centralised model would be appropriate. The method for claims and settlement practices are quite different depending on the products sold by each legal entity and practical practices in each jurisdiction. In that case, it is not meaningful to establish a group-wide claim management policy as a unified policy. Therefore, the provision should be amended to ensure that not only a more centralised model but also a more decentralized model would be recognized. GFIA suggests adding "Where group-wide claims management is concentrated in the group" at the beginning or add "Where individual legal entities independently manage their claims management, the Head of IAIG substitutes the group-wide investment policy by presenting the minimum viewpoint of risk management, monitoring and instructing individual legal entities."</p>
182. AIA Group	Hong Kong	No	We suggest changing the wording of third bullet point to "claims data reporting for analysis" as the analysis could be performed by legal entities as well as the Head of IAIG or group.
183. General Insurance Association of Japan	Japan	No	We welcome that CF16.7.b.2 allows delegation of authority for claims settlement including the establishment of claims settlement policy to each entity. Even when an IAIG establishes its group-wide claims settlement policy, insurance entities need to establish their unique policies because claims settlement management varies significantly depending on the laws and practices in different jurisdictions and on different business lines. Standards on claims estimation and settlement need to be consistent with legal systems and the characteristics of the underlying products. It is relevant and more effective to

			establish entity-specific policy reflecting their situations. Therefore, items listed in this standard should be moved to the CF16.7.b.1 as a guidance.
184. The Life Insurance Association of Japan	Japan	No	<p>In the paragraph 24 of the ComFrame introduction, it is clarified that IAIGs have different models of governance (i.e. more centralised or more decentralised). However there are some provisions that are not clear to allow for the difference in governance model. Under such circumstances, we are concerned that it likely leads to a misunderstanding that more centralised model should be appropriate in place, as in this provision that it is not clarified that both more centralized model and more decentralized model are allowed. There are cases where method for claims and settlement practices are quite different depending on the products sold by each legal entity and practical practices in each jurisdiction. In that case, it is not meaningful to establish a group-wide claim management policy as a unified policy.</p> <p>Therefore, it should be amended to ensure that not only more centralised model but also more decentralized is fit in the group-wide investment policy. We suggest adding "Where group-wide claims management is concentrated in the group" at the beginning or adding "Where individual legal entities independently manage their claims management, the Head of IAIG sets the group-wide investment policy by presenting the minimum perspective of risk management, monitoring and offering guidance on individual legal entities."</p>
185. American Council of Life Insurers	Office of General Counsel	No	<p>We would appreciate the addition of affirmative language that expectations around the escalation of claims information is limited to escalation by legal entities to the parent and does not extend to branches.</p> <p>For most life insurance lines, claims management is not a significant concern. Therefore, the applicability, if any, to life insurance should be clarified. Moreover, claims management is typically a local concern, so a group-wide policy is unlikely to be meaningful.</p> <p>Additionally, some insurers address these issues by developing claims management process documentation or guidelines, separately from the risk management policies that formally comprise the ERM framework. Such an approach is equally effective and achieves the desired outcome. We recommend clarifying that the claims management framework "can be part of or complementary to the ERM framework."</p>
186. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA is of the opinion that, when a group policy is a requirement, it should be ensured that this does not preclude an insurance group to run either a more centralized or a more decentralized business model approach. This should be considered for every insurance group, not only IAIGs.
187. Swiss Re	Switzerland	No	Many insurers address the requirements outlined here by developing a claims management process documentation and/or guidelines, which may not formally constitute a policy. Note that this may exist as a compliment to the group-wide ERM

			framework, since claims management frameworks often cover issues that are broader than ERM. This setup is equally as effective. We encourage the IAIS to specify that: "The group-wide supervisor requires the Head of the IAIG to establish and maintain a group-wide claims management framework, as part of or complementary to the group-wide ERM framework, that includes procedures for..."
188. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
189. American Property Casualty Insurance Association (APCI)	USA	No	The requirement for a group-wide claims management policy reflects a bias in favor of centralized IAIGs rather than decentralized models, contrary to the overarching concept stated on page 3 of the CD that "ComFrame does not favour any particular governance model and instead focuses on the outcomes that the governance model needs to achieve". In many jurisdictions, claims management is the duty of each insurance legal entity, and it is not a group-wide function. This standard should reflect that practice.
190. Property Casualty Insurers Association of America (PCI)	USA	No	The requirement for a group-wide claims management policy should be deleted. Claims management is the duty of each insurance legal entity, and it is not a group-wide function. This requirement adds an additional layer of complexity and regulation for no benefit.
191. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Given the wide-range of products and lines of business that can be written by various insurance legal entities within an IAIG, it may not be appropriate to require the group-wide claims management policy to include procedures for claims estimation and settlement (first bullet). Additionally, as drafted, this suggests that the Head of the IAIG is responsible for claims estimation and settlement for the insurance legal entities versus having an overview of it. Suggest revising the first bullet to better articulate the group role / expectation on claims estimation and settlement.
Q39 Comment on ComFrame Guidance CF16.7.b.1			
192. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q40 Comment on ComFrame Guidance CF16.7.b.2			

193. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q41 Comment on ComFrame Guidance CF16.7.b.3			
194. American Council of Life Insurers	Office of General Counsel	No	We would appreciate the addition of affirmative language that expectations around the escalation of claims information is limited to escalation by legal entities to the parent and does not extend to branches.
195. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q42 Comment on ComFrame Standard CF16.7.c			
196. Insurance Authority (IA)	China, Hong Kong	No	Suggest to add a new bullet point - "the objectives of the use of reinsurance or alternative risk transfer"
197. AIA Group	Hong Kong	No	We suggest adding the wording "where appropriate" as not all IAIGs may have material reinsurance arrangements.
198. General Insurance Association of Japan	Japan	No	The "ComFrame Introduction" stipulates "IAIGs have different models of governance (i.e. more centralised or more decentralised). ComFrame does not favour any particular governance model." Therefore, we understand that ComFrame acknowledges decentralised governance models. Allowance of decentralised governance models should be made more clear including stipulating such allowance in this standard. For IAIGs which employ decentralised governance models, requirements stipulated in this standard will inhibit the efficient business operations of different entities within the group. Even when an IAIG establishes its group-wide reinsurance and risk transfer strategy, items listed in this standard should be provided as a guidance for the reasons mentioned above.
199. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA is of the opinion that, when a group policy is a requirement, it should be ensured that this does not preclude an insurance group to run either a more centralized or a more decentralized business model approach. This should be considered for every insurance group, not only IAIGs.

200. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
201. Prudential Financial, Inc.	United States of America	No	We note that this standard provides another example of where ComFrame places excessive emphasis on form over substance. We fully agree that IAIGs (and insurers more broadly) must manage counterparty risk related to reinsurance transactions and further, such exposures should be covered a part of the risk appetite framework and related risk limits.
Q43 Comment on ComFrame Standard CF16.7.d			
202. Insurance Europe	Europe	No	<p>Insurance Europe believes a specific "group-wide actuarial policy" is not necessary, as an appropriate actuarial practice should form an integral part of an effective risk management system and would be reflected throughout a company's ERM system/ORSA/ALM/Investment policy, and the format in which it is documented should not be mandated.</p> <p>It should be sufficient to have the requirement elsewhere (which the IAIS does) for independent validation of the internal model and for senior reporting of outcomes of that.</p>
203. Global Federation of Insurance Associations	Global	No	<p>GFIA takes the view that a specific "group-wide actuarial policy" is not necessary, as an appropriate actuarial practice should form an integral part of an effective risk management system and would be reflected throughout a company's ERM system/ORSA/ALM/Investment policy, and the format in which it is documented should not be mandated.</p> <p>It should be sufficient to have the requirement elsewhere (which the IAIS does) for independent validation of the internal model and for senior reporting of outcomes of that.</p>
204. International Actuarial Association	International	No	The IAA strongly supports the addition of this ComFrame section as outlined earlier in our overall ICP 16 comments to Q7. The group-wide actuarial function has important insights and perspectives into ERM that are vital to the operation of large, complex and international groups such as IAIG's.
205. General Insurance Association of Japan	Japan	No	<p>The "ComFrame Introduction" stipulates "IAIGs have different models of governance (i.e. more centralised or more decentralised). ComFrame does not favour any particular governance model." Therefore, we understand that ComFrame acknowledges decentralised governance models. Allowance of decentralised governance models should be made more clear including stipulating such allowance in this standard.</p> <p>Risk models are not necessarily based on actuarial science as mentioned in the IAIS resolution to the previous consultation, "The group-wide actuarial policy is not limited to pure actuarial processes but can include other processes as described in the guidance". It is therefore difficult to distinguish between risk management and actuarial policies. While it is also not</p>

			<p>efficient to allow overlap of different policies, we would like to have confirmation that the IAIGs are allowed at least to include items covered by the actuarial function in the policy established by the risk function.</p> <p>If the above-mentioned treatment is not allowed, then risk models should be addressed within the overall ERM framework rather than within the actuarial policy. Therefore, the bullet point below should be moved to ICP 17.</p> <p>"- model risk management of internal models that generate actuarial and financial projections for solvency purposes."</p>
206. American Council of Life Insurers	Office of General Counsel	No	This requirement is overly prescriptive. It should be reworked to describe outcomes to be achieved, as distinguished from mandating a particular organization structure. This is because a number of the outcomes noted require multidisciplinary participation from across the organization.
207. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA is of the opinion that, when a group policy is a requirement, it should be ensured that this does not preclude an insurance group to run either a more centralized or a more decentralized business model approach. This should be considered for every insurance group, not only IAIGs.
208. Swiss Re	Switzerland	No	A number of the processes noted require multi-discipline participation from across the organization, not only the Actuarial Function. A specific 'group-wide actuarial policy' is not always necessary, as an appropriate actuarial practice should form an integral part of an effective risk management system and would be reflected throughout a company's Risk Management/ALM/Investment policy, and the format in which it is documented should not be mandated. We would appreciate if the standard allows for flexibility in this regard. We suggest that the IAIS replace "actuarial policy" with "actuarial policy and/or appropriate policy framework".
209. American Academy of Actuaries	United States of America	No	It is not exactly clear from reading the document whether the term "ERM" encompasses just stand-alone risk management or actuarial functions as well. The inclusion of actuarial policy in 16.7.d would seem to suggest the latter. Returning to our comments regarding CF 8.6.a, we believe the IAIS should consider taking a principle-based approach with regard to the separation of risk management and actuarial functions, enabling the group to determine how to assign those functions.
210. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
211. Prudential Financial, Inc.	United States of America	No	We disagree with the call for establishing and maintaining policies related to separate control functions as part of the Enterprise Risk Management (ERM) function. We view the actuarial function as a first line of defense and ERM as a second line of defense. As such, actuarial policies shouldn't to be part of the ERM framework. Further and related to this point, we believe actuarial policies related to internal models should be limited to those used to perform actuarial calculations and not

			extend to those used to develop financial projections for solvency purposes, which goes beyond the remit of the actuarial function.
Q44 Comment on ComFrame Guidance CF16.7.d.1			
212. Insurance Europe	Europe	No	<p>Please refer to the response to ComFrame Standard CF 16.7d. Furthermore, the actuarial policy should be limited to actuarial processes and should not be elaborated towards other process such as accounting. Of course, interaction among the various professions and functions within the insurer should be stimulated.</p> <p>Furthermore, Insurance Europe would suggest that the 4th bullet point is not necessary. Assumption-setting is inherently a local matter, as expertise is found at the local level. The merits of a group-level framework and process are not entirely clear.</p>
213. German Insurance Association	Germany	No	The actuarial policy should be limited to actuarial processes and should not be elaborated towards other process such as accounting (see also comment on CF8.6.a)
214. Global Federation of Insurance Associations	Global	No	<p>Please refer to the response to ComFrame Standard CF 16.7d. Furthermore, the actuarial policy should be limited to actuarial processes and should not be elaborated towards other process such as accounting. Of course, interaction among the various professions and functions within the insurer should be stimulated.</p> <p>Furthermore, GFIA would suggest that the 4th bullet point is not necessary. Assumption-setting is inherently a local matter, as expertise is found at the local level. The merits of a group-level framework and process are not entirely clear.</p>
215. General Insurance Association of Japan	Japan	No	<p>Materiality thresholds to trigger management action should be established in accordance with jurisdictional laws and regulations as well as the size of each group entity. It is difficult to formalise materiality thresholds (set fixed figures) at the group-wide level. Therefore, the standard should be revised to allow more flexible approach.</p> <p>It is common in Japan that an insurer's actuarial function is fulfilled collectively by several divisions, and we recognise that such practices do not entail problems. Therefore, the ComFrame should clearly state that it acknowledges such practices. We would like to have confirmation that the IAIGs are allowed to include items covered by the actuarial function in the policy established by the risk function. If the above-mentioned treatment is not allowed, then risk models should be addressed within the overall ERM framework rather than within the actuarial policy. Therefore, the bullet point below should be moved to ICP 17.</p> <p>"- articulate model validation and maintenance procedure to ensure that model usage and model modifications align with its risk appetite and risk limits structure."</p>

216. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
217. Prudential Financial, Inc.	United States of America	No	We believe the call for articulating model validation and maintenance procedure to ensure that model usage and model modifications align with the risk appetite and risk limits structure is overly prescriptive and unwarranted in many instances (e.g., models used to calculate reserves for financial statement purposes do not warrant a direct link to the risk appetite or limits). We recommend rewording this point of guidance as follows - "articulate model validation and maintenance procedures; and"
Q45 Comment on ComFrame Guidance CF16.7.d.2			
218. General Insurance Association of Japan	Japan	No	In line with the second bullet point of CF 8.6.b, a reference to "or one of its committees" should be added.
219. American Council of Life Insurers	Office of General Counsel	No	We recommend adding modifiers clarifying that the group-wide actuarial policy should contain actuarial practice standards to raise awareness of actuarial matters.
220. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
221. Prudential Financial, Inc.	United States of America	No	While the actuarial function supplies inputs for solvency and financial condition analysis, the actuarial function does not have overarching responsibility for such analysis. As such, there should not be a requirement for actuarial standards to contain practice standards aimed at raising awareness of all matters that could adversely affect the solvency or financial condition of the IAIG (or its entities).
Q46 Comment on ComFrame Guidance CF16.7.d.3			
222. American Council of Life Insurers	Office of General Counsel	No	We recommend adding at the end of the second sentence the phrase "but as applicable, the group-wide policy requirements will be adjusted to jurisdictional requirements."

223. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q47 Comment on ComFrame Guidance CF16.7.d.4			
224. Insurance Europe	Europe	No	Insurance Europe recommend deleting this section, as the content is dispensable.
225. German Insurance Association	Germany	No	We recommend deleting this section, as we see the contents as dispensable.
226. International Actuarial Association	International	No	This section refers to the need to "address the consistency between the base assumptions and those under stressed conditions". The IAA is confused by the language used. Perhaps the reference should be for the need to disclose the impact on financial results due to the sensitivity of key assumptions.
227. General Insurance Association of Japan	Japan	No	We would like to know the purpose of this guidance.
228. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q48 Comment on ComFrame Standard CF16.7.e			
229. Insurance Authority (IA)	China, Hong Kong	No	Suggest to amend the second last bullet point "the appropriateness of reinsurance credit for technical provisions"
230. Insurance Europe	Europe	No	Insurance Europe generally supports the yearly issuance of a report by the group-wide actuarial function. However, there continues to be a clear overlap with Standard CF 8.6a by which the IAIG actuarial function is required to provide an overview of its activities, including information on the IAIG's solvency positions and risk modelling in the IAIG's ORSA. In fact, the prospective analysis of the IAIG financial situation is already included in the ORSA, so it seems repetitive to also require a similar analysis in the actuarial function opinion. It should be clarified how these two requirements interact and

			<p>overlaps and inefficiencies should be avoided.</p> <p>There is a clear overlap with the proposed annual group-wide actuarial opinion and information that is already covered by the IAIG's ORSA. Further clarification is needed to avoid duplication. Additionally, the requirement to address pricing adequacy down to the legal entity level is onerous and pricing adequacy at the group level should be sufficient.</p> <p>The bullet points listing the minimum content of these reports go beyond the responsibilities generally expected of the actuarial function. Notably, the actuary's role is not to work on non-insurance legal entities and non-regulated legal entities, as well as to assess the financial situation of the IAIG. Insurance Europe would propose that the IAIS reconsiders bullet points 1 and 4.</p>
231. German Insurance Association	Germany	No	<p>GDV generally supports the yearly report by the group-wide actuarial function. However, there continues to be a clear overlap with Standard CF 8.6a and to include non-actuarial responsibilities (see also comment on CF 8.6a). We recommend deleting this section.</p>
232. Global Federation of Insurance Associations	Global	No	<p>GFIA generally supports the yearly issuance of a report by the group-wide actuarial function. However, there continues to be a clear overlap with Standard CF 8.6a by which the IAIG actuarial function is required to provide an overview of its activities, including information on the IAIG's solvency positions and risk modelling in the IAIG's ORSA. In fact, the prospective analysis of the IAIG financial situation is already included in the ORSA, so it seems repetitive to also require a similar analysis in the actuarial function opinion. It should be clarified how these two requirements interact and overlaps and inefficiencies should be avoided.</p> <p>There is a clear overlap with the proposed annual group-wide actuarial opinion and information that is already covered by the IAIG's ORSA. Further clarification is needed to avoid duplication. Additionally, the requirement to address pricing adequacy down to the legal entity level is onerous and pricing adequacy at the group level should be sufficient.</p> <p>The bullet points listing the minimum content of these reports go beyond the responsibilities generally expected of the actuarial function. Notably, the actuary's role is not to work on non-insurance legal entities and non-regulated legal entities. GFIA would propose that the IAIS reconsiders bullet points 1 and 4.</p> <p>The wording in the first bullet under 16.7.e is overly broad. Instead of requiring "a prospective analysis of the financial situation of the IAIG." GFIA recommends rephrasing to "a prospective analysis of the actuarial components that would factor into the financial situation of the IAIG...". While traditional actuarial items are a large component of the financial situation of an IAIG there are also significant non-actuarial items that would factor into the financial situation of the IAIG and the actuarial function would not be involved in the calculation of these items.</p>

233. Institute of International Finance	Global	No	The wording in the first bullet under 16.7.e is overly broad. Instead of requiring "a prospective analysis of the financial situation of the IAIG.." we recommend rephrasing to "a prospective analysis of the actuarial components that would factor into the financial situation of the IAIG...". While traditional actuarial items are a large component of the financial situation of an IAIG there are also significant non-actuarial items that would factor into the financial situation of the IAIG and the actuarial function would not be involved in the calculation of these items.
234. AIA Group	Hong Kong	No	We suggest changing the wording "on at least the following" to "on the following, where appropriate and material" as some of the bullet point items might not apply to some insurers or they may be immaterial.
235. International Actuarial Association	International	No	The IAA s agrees with the importance of group-wide actuarial function reporting as outlined in this section for entities as large, complex and international as an IAIG. Since the ICS is designed to be applied at the IAIG level, it is particularly important that the Head of the IAIG be well informed on all ERM matters and from all control function perspectives.
236. General Insurance Association of Japan	Japan	No	The "ComFrame Introduction" stipulates "IAIGs have different models of governance (i.e. more centralised or more decentralised). ComFrame does not favour any particular governance model." Therefore, we understand that ComFrame acknowledges decentralised governance models. Allowance of decentralised governance models should be made more clear including stipulating such allowance in this standard. Terms "sufficiency" and "adequacy" implicate certainty and therefore are excessive. On many occasions, actuary is expected to make reasonable assumptions. Therefore "sufficiency" and "adequacy" should be replaced by "reasonability". In line with the second bullet point of CF 8.6.b, a reference to "or one of its committees" should be added. The benefit of the requirement to report annually to the Board about "non-insurance legal entities" and "non-regulated legal entities" is vague. CF 16.7.e.2 provides as a guidance that "the extent of reliance on values provided by non-insurance legal entities guidance" could be addressed in the entities' annual reporting to the IAIG Board. Requirement to report about "non-insurance legal entities" and "non-regulated legal entities" should be provided as a guidance and removed from this standard.
237. American Council of Life Insurers	Office of General Counsel	No	Consistent with our general comment, this requirement should describe the outcomes that are to be achieved rather than prescribing that the outcomes occur within the actuarial function. A number of the outcomes noted require multidisciplinary participation from across the organization. We recommend removing the first and fourth bullet. We agree that a prospective analysis of the financial situation of the IAIG should be performed and that non-insurance and non-regulated entities should be considered but this is not purely and actuarial function. This responsibility could lie with the organization's ERM framework, and responsibility should be determined by each IAIG. A prospective analysis of the financial situation of the IAIG need not be part of the actuarial function, as typically it is part of

			the ORSA process. Further, the actuarial function should not be charged with reviewing non-insurance or non-regulated entities.
238. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	In FINMA's view, more clarity needs to be added on what the financial situation (CF 16.7.e) and financial condition (CF 16.7.e.2) encompasses. It should be ensured that all appropriate finance and risk management functions are involved to inform an overall analysis to the IAIG board.
239. Swiss Re	Switzerland	No	We do retain our position that 'A prospective analysis of the financial situation of the IAIG which goes beyond the current balance sheet of the IAIG' is a component of enterprise risk management. Nevertheless, because such an analysis requires the input of various functions, including the finance function, requiring that this be carried out by the actuarial function is in our view quite prescriptive. One could replace 'group-wide actuarial function' with 'appropriate group-wide functions'.
240. American Academy of Actuaries	United States of America	No	It is not exactly clear from reading the document whether the term "ERM" encompasses just stand-alone risk management or actuarial functions as well. The inclusion of actuarial policy in 16.7.d would seem to suggest the latter. Returning to our comments regarding CF 8.6.a, we believe the IAIS should consider taking a principle-based approach with regard to the separation of risk management and actuarial functions, enabling the group to determine how to assign those functions.
241. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
242. Prudential Financial, Inc.	United States of America	No	As a general remark, we believe it is appropriate maintain separation in key control functions and their respective responsibilities. As such, believe it is inappropriate to frame the group-wide actuarial function as part of the group-wide ERM framework. The actuarial function should serve as a first line of defense (through pricing, valuation, assumption setting processes, etc.) and ERM (and its respective framework) should serve as a second line of defense. In addition, the actuarial function should not be assigned responsibility for a prospective analysis of the financial situation of the IAIG or consideration non-insurance and non-regulated legal entities as these functions go beyond the scope of activities that are appropriate for an actuarial function.
243. MetLife, Inc	USA	No	The wording in the first bullet under 16.7.e is overly broad. Instead of requiring "a prospective analysis of the financial situation of the IAIG.." we recommend rephrasing to "a prospective analysis of the actuarial components that would factor into the financial situation of the IAIG...". While traditional actuarial items are a large component of the financial situation of an IAIG there are also significant non-actuarial items that would factor into the financial situation of the IAIG and the actuarial function would not be involved in the calculation of these items.

244. Property Casualty Insurers Association of America (PCI)	USA	No	The wording in the first bullet under 16.7.e is overly broad. Instead of requiring "a prospective analysis of the financial situation of the IAIG", we recommend rephrasing to "a prospective analysis of the actuarial components that would factor into the financial situation of the IAIG...". While traditional actuarial items are a large component of the financial situation of an IAIG there are also significant non-actuarial items that would factor into the financial situation of the IAIG and the actuarial function would not be involved in the calculation of these items.
Q49 Comment on ComFrame Guidance CF16.7.e.1			
245. Insurance Europe	Europe	No	Not all regulatory frameworks assign claims and investment management to the actuarial function and Insurance Europe believes that actuarial expertise may not be critical to cover these areas. There should be sufficient leeway in the IAIS Guidance to allow the IAIG to assign these core responsibilities among its key functions freely.
246. Global Federation of Insurance Associations	Global	No	<p>Not all regulatory frameworks assign claims and investment management to the actuarial function and GFIA is of the view that actuarial expertise may not be critical to cover these areas. There should be sufficient leeway in the IAIS Guidance to allow the IAIG to assign these core responsibilities among its key functions freely.</p> <p>GFIA recommends that the section be rephrased to emphasize that the actuarial function should provide an "analysis of the actuarial components of the current and future financial condition of the IAIG..."</p> <p>Either the responsibilities set out in this standard should be adjusted or recognition given to the possibility that the actuarial function is not necessarily the area providing this information to the Board. Other areas such as ERM, Investments, and Finance can be presenting this analysis to the Board.</p>
247. Institute of International Finance	Global	No	We recommend that the section be rephrased to emphasize that the actuarial function should provide an "analysis of the actuarial components of the current and future financial condition of the IAIG..."
248. General Insurance Association of Japan	Japan	No	<p>The "ComFrame Introduction" stipulates "IAIGs have different models of governance (i.e. more centralised or more decentralised). ComFrame does not favour any particular governance model." Therefore, we understand that ComFrame acknowledges decentralised governance models.</p> <p>This standard is premised on cases where an independent division assumes an actuarial function and is required to directly report to the IAIG Board. However, it is common in Japan that an insurer's actuarial function is fulfilled collectively by several divisions, and we recognise that such practices do not entail problems. Therefore, this guidance should clearly state that it acknowledges such practices.</p>

249. American Council of Life Insurers	Office of General Counsel	No	We recommend removing this provision. The group-wide actuarial function would provide information for use in the described analysis, but it is not purely an actuarial function. The responsibility for performing the analysis should be determined by each IAIG. The actuarial function should not be responsible for prospective analyses, which are typically part of the ORSA process.
250. Swiss Re	Switzerland	No	Similar to our answer to CF16.7.e, we ask the IAIS to consider different organizational set ups. Not all regulatory frameworks and insurers assign claims and investment management to the actuarial function. There should be sufficient leeway in the IAIS Guidance to allow the IAIGs to assign these core responsibilities among its key functions more freely. The actuarial function should not be responsible for prospective analyses, which are typically part of the ORSA process.
251. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
252. MetLife, Inc	USA	No	We recommend that the section be rephrased to emphasize that the actuarial function should provide an "analysis of the actuarial components of the current and future financial condition of the IAIG..."
253. Property Casualty Insurers Association of America (PCI)	USA	No	We recommend that the section be rephrased to emphasize that the actuarial function should provide an "analysis of the actuarial components of the current and future financial condition of the IAIG..."
Q50 Comment on ComFrame Guidance CF16.7.e.2			
254. Insurance Authority (IA)	China, Hong Kong	No	Suggest to amend the eighth bullet "the performance of the IAIG's insurance portfolios and analysis of any changes in business volumes, exposures, experiences, mix of business and pricing during the year;"
255. Global Federation of Insurance Associations	Global	No	GFIA recommends that the tenth bullet remove the term "adequacy" so that the language becomes "suitability of reinsurance or other forms of risk transfer arrangements ...". The term "adequacy" doesn't seem appropriate in this context.
256. Institute of International Finance	Global	No	We recommend that the tenth bullet remove the term "adequacy" so that the language becomes "suitability of reinsurance or other forms of risk transfer arrangements ...". The term "adequacy" doesn't seem appropriate in this context.

257. International Actuarial Association	International	No	The IAA is concerned that some supervisors might interpret this section as an escape mechanism to not use the group-wide AF report. Perhaps it may be better to say that the GWAF makes use of and explains the importance of individual reports from entities within the IAIG.
258. General Insurance Association of Japan	Japan	No	Terms "sufficiency" and "adequacy" implicate certainty and therefore are excessive. On many occasions, actuary is expected to make reasonable assumptions. Therefore "sufficiency" and "adequacy" should be replaced by "reasonability".
259. American Council of Life Insurers	Office of General Counsel	No	We recommend modifying the last bullet to read: "the extent to which any data, values, analyses used within the actuarial opinion, report, advice, or review to the IAIG Board are being relied upon by the actuary."
260. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
261. MetLife, Inc	USA	No	We recommend that the tenth bullet remove the term "adequacy" so that the language becomes "suitability of reinsurance or other forms of risk transfer arrangements ...". The term "adequacy" doesn't seem appropriate in this context.
262. Property Casualty Insurers Association of America (PCI)	USA	No	We recommend that the tenth bullet remove the term "adequacy" so that the language becomes "suitability of reinsurance or other forms of risk transfer arrangements ...". The term "adequacy" doesn't seem appropriate in this context.
Q51 Comment on ComFrame Standard CF16.10.a			
263. China Banking and Insurance Regulatory Commission (CBIRC)	China	No	The ComFrame requires an ORSA for insurance groups in many sections. The regulation system can be different in various jurisdictions and there can be other forms of risk management requirements which can essentially achieve the same goal as ORSA. For example, in China we developed SARMRA (Solvency Aligned Risk Management Requirements Assessment) and IRR (Integrated Risk Rating) in C-ROSS, which not only cover the insurance group's own assessment, but also supervisory assessment and ratings. Such requirements suits the emerging market better because the supervisory assessment and guidance provides much more effective incentive for insurers to improve their risk management

			capabilities. Thus we suggest that the ComFrame should cover in the text other forms of supervisory requirements that have an essentially equivalent role of ORSA.
264. Insurance Europe	Europe	No	Insurance Europe believes it should be at the discretion of the IAIG to assess the appropriate approach (ie quantitative and/or qualitative) to perform each element of the ORSA. It is not clear what content would be expected for the fungibility of capital and the transferability of assets within the group. Insurance Europe would appreciate if this could be clarified.
265. German Insurance Association	Germany	No	GDV believes it should be at the discretion of the IAIG to assess the appropriate approach (i.e. quantitative and/or qualitative) to perform each element of the ORSA.
266. Global Federation of Insurance Associations	Global	No	GFIA takes the view that it should be at the discretion of the IAIG to assess the appropriate approach (i.e. quantitative and/or qualitative) to perform each element of the ORSA. It is not clear what content would be expected for the fungibility of capital and the transferability of assets within the group. GFIA would appreciate if this could be clarified.
267. American Council of Life Insurers	Office of General Counsel	No	The proportionality principle should be adopted when performing the group-wide ORSA (and solo entity ORSAs). This allows the IAIG to develop an ORSA process that is fit-for-purpose and takes into account the nature, scale, and complexity of the business. This provides the opportunity for the IAIG to focus on its material and complex risks and legal entities within the group, and the flexibility to adopt simpler approaches to less material and less risky businesses.
268. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA believes that the requirement for a group-wide ORSA is important and should be applicable in a proportionate way to insurance groups in general and should therefore be included in an ICP standard. Consequently, there would be no need to have an additional CF standard for this aspect.
269. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q52 Comment on ComFrame Guidance CF16.10.a.1			

270. AIA Group	Hong Kong	No	We suggest removing the last sentence "In particular, political and reputational risks should be considered." to remain principle-based. Insurers should consider the risks that are material to them in the group-wide ORSA and it does not add value to stipulate any specific risks that insurers should consider.
271. General Insurance Association of Japan	Japan	No	In conducting its group-wide ORSA, there are risks other than political and reputational risks that the IAIG should consider. Therefore, we suggest revising the first sentence as follows: "In conducting its group-wide ORSA, the IAIG should consider all material risks, including political and reputational risks, arising from its legal entities including non-regulated ones",
272. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q53 Comment on ComFrame Standard CF16.13.a			
273. Association of Bermuda Insurers and Reinsurers	Bermuda	No	ABIR respectfully requests the IAIS to consider altering the language to allow for a collaborative decision between the IAIG and the supervisor on the recovery plan, while still acknowledging that the group-supervisor of the IAIG will ultimately have the power to direct the company to take a specific action.
274. Assuris	Canada	No	Assuris strongly supports requiring IAIG's to identify options in the recovery plan to restore financial strength and viability. The scenarios should consider plausible but severe scenarios that might occur to trigger recovery actions. The actions should be realistic and address all options that may be needed to restore financial strength.
275. Insurance Europe	Europe	No	<p>Insurance Europe continues to believe that a requirement within ComFrame for pre-emptive recovery planning is too prescriptive. It undermines the role and responsibility of the general management of an IAIG, which should remain free to decide on the appropriateness and circumstances of certain actions as long as there is no breach of any legal / regulatory threshold.</p> <p>Recovery planning as a corrective measure should:</p> <ul style="list-style-type: none"> - Be required on a case-by-case basis, where there has been a breach of solvency requirements. - Be tailor-made to address the particular situation. - Be appropriate in the context of the objectives of the supervisory framework. <p>A recovery plan cannot take into account all circumstances and eventualities, it can only address possible causes of failure and the options for recovery in that circumstance, For example, where the objective of the recovery planning requirement is policyholder protection, it should be clear how the recovery planning requirement increases policyholder protection.</p>

276. German Insurance Association	Germany	No	GDV continues to believe that a requirement within ComFrame for recovery planning is too prescriptive. A recovery plan cannot take into account all circumstances and eventualities, it can only address possible causes of failure and the options for recovery in that circumstance.
277. Global Federation of Insurance Associations	Global	No	<p>GFIA welcomes the work of the IAIS with regard to recovery planning following the original consultation on this material. Given the focus of the new material on pre-emptive recovery planning, rather than recovery planning as a supervisory measure, GFIA considers that this material more appropriately sits within this ICP on risk management.</p> <p>GFIA welcomes the change of wording within this Standard and Guidance from "the supervisor" to "the group-wide supervisor" to recognise that the plan is intended to cover all material entities within the group (CF16.13. a.3). Group-wide or lead supervisors should consider the activities in which an IAIG engages (as well as the attendant costs and benefits) when determining the necessity, form, and content on a recovery plan, and not focus solely on the IAIG's size, scope or complexity. Additionally, the supervisor should have the discretion to accept alternative submissions in lieu of a separate, formal recovery plan to the extent that such submissions collectively satisfy the standard. Since not all IAIGs may need to develop a recovery plan, the first part of the sentence should read: "The group-wide supervisor may require the Head of the IAIG to:"</p>
278. Institute of International Finance	Global	No	<p>We support the IAIS's consideration of recovery planning separately from ICP 10, Preventive Measures, Corrective Measures and Sanctions, and the integration of recovery planning material in ICP/ComFrame 16, Enterprise Management for Solvency Risk Purposes. As noted above, the IAIS is developing an Application Paper on recovery planning, which we would argue is premature, as ICP 16.13 and the ComFrame material to which it relates is still open for public consultation.</p> <p>The draft Application Paper attempts to distinguish a recovery plan, which becomes relevant when an insurer is under stress, from a going concern own risk and solvency assessment (ORSA). We would argue that a properly designed ORSA reflects a range of scenarios including severe stress scenarios and provides management with the information needed to guide the insurer through times of stress and select the appropriate tools in response to stress. While regulatory structures and requirements vary from jurisdiction to jurisdiction, a robust ORSA process demonstrates the strength of the firm's risk management for solvency and liquidity through the severe but plausible stress scenarios that are most relevant to the firm, given the nature, scale and complexity of the firm's business. In many jurisdictions, the ORSA process has been developed and implemented as both an integral part of the insurer's enterprise risk management, and as a tool to provide regulators with insight into the insurer's risk profile. The results of a robust ORSA process should be recognized as fulfilling the underlying purpose of recovery planning and a separate recovery plan should not be required. This approach would have the benefit of promoting a holistic view of enterprise risk management and would avoid the imposition of duplicative requirements that may not be proportionate to the risks faced by the organization.</p>

			<p>At a minimum, we would urge the IAIS to allow for jurisdictional and supervisory discretion with respect to the requirement for a recovery plan.</p> <p>Moreover, in cases where a recovery plan would be required, the plan should align with the ORSA and similar management and supervisory tools. The stress scenarios included in an ORSA serve a sound basis for selecting appropriate management tools in times of stress and, thus, the ORSA stress scenarios should be aligned with the stress scenarios required for a recovery plan. Host supervisors should not require separate legal entity recovery plans when a group recovery plan is in place.</p>
279. AIA Group	Hong Kong	No	<p>We believe that the purpose of having a recovery plan could be met in the absence of an explicit plan with a set of management actions identified to restore financial strength, which are agreed and approved by senior management. Hence, we suggest that the requirement to have a plan should be rephrased such that insurers would need to consider such actions but not necessarily require a plan as such. Notwithstanding, a recovery plan should serve as a guide for the IAIG and supervisors for crisis preparedness and crisis management, rather than a direction to take specific recovery actions upon the occurrence of specific trigger. Management should have wide discretion to select and utilise the appropriate recovery tools.</p>
280. General Insurance Association of Japan	Japan	No	<p>It is far from appropriate to require a recovery plan for all IAIGs in a uniform manner. Given the principle of proportionality, the requirements on a recovery plan for an IAIG should be decided in proportion to its ICS Ratio, difficulties as may be identified in the ORSA process, etc.</p> <p>Where a recovery plan is required for those IAIGs which demonstrate sound financial conditions and no sign or imminent risk of deterioration, a relatively simple plan should suffice as opposed to those IAIGs which come short of the qualities mentioned above.</p> <p>For example, it is reasonable when an insurer is in a sound condition required developing only an outline and when the insurer is considered financial damaged condition required a detailed plan.</p>
281. The Life Insurance Association of Japan	Japan	No	<p>We recognize that the public consultation on Application paper on recovery planning will be conducted by IAIS in the near future.</p> <p>We would like to have further dialogues with IAIS to discuss recovery planning based on the Application paper, which is required to the Head of the IAIG.</p>
282. American Council of Life Insurers	Office of General Counsel	No	<p>We appreciate that the IAIS has incorporated guidance on preparation of recovery planning into the ComFrame sections related to ICP 16 (Enterprise Risk Management for solvency purposes) as a complement to other elements and criteria that address risk management, including ORSA.</p> <p>Group-wide supervisors should consider the activities in which an IAIGs engages (as well as the attendant costs and</p>

			benefits) when determining the necessity, form, and content on a recovery plan, and not focus solely on the IAIGs size, scope or complexity. Additionally, the supervisor should have the discretion to accept alternative submissions in lieu of a separate, formal recovery plan to the extent that such submissions collectively satisfy the standard. We believe that a robust ORSA process, which demonstrates the strength of the firm's risk management for solvency and liquidity through the severe but plausible stress scenarios most relevant to the firm, given the nature, scale and complexity of the firm's business, should be recognized as fulfilling the underlying purpose of recovery planning and nothing further should be required. Since not all IAIGs may need to develop a recovery plan, the first part of the sentence should read: "The group-wide supervisor may require the Head of the IAIG to:"
283. Monetary Authority of Singapore (MAS)	Singapore	No	<p>The current drafting requires all IAIGs to develop a recovery plan. However, the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions ("FSB KAs") only requires G-SIFIs to develop recovery and resolution plans. It is unclear why the IAIS is requiring a wider scope of insurers to develop recovery plans compared to the FSB KAs.</p> <p>To align with the FSB KAs, we propose to require IAIGs to develop a recovery plan only if deemed necessary by the group-wide supervisor (similar to that under CF 12.3a for resolution plans).</p>
284. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the work of the IAIS with regard to recovery planning, following the original consultation. Given the focus of the new material on pre-emptive recovery planning, rather than recovery planning as a supervisory measure, the ABI considers that this material more appropriately sits within this ICP on risk management.</p> <p>The ABI welcomes the change of wording within this Standard and Guidance from "the supervisor" to "the group-wide supervisor" to recognise that the plan is intended to cover all material entities within the group (CF16.13.a.3).</p> <p>However, the ABI considers that the proportionality principle should also be applied when considering whether the set-up of recovery plans is actually needed in all cases. This would ensure that firms do not devote unnecessary resources developing such plans when the relevance of doing so is rather limited, and could be counter-productive (where it acts as a distraction for more effective preventative measures). There should be the option for national supervisory authorities to exclude insurers that are less complex from the scope of this requirement.</p>
286. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
287. Liberty Mutual Insurance Group	USA	No	CF 16.13.a contains a comprehensive description of what must be included in an IAIG's recovery plan, which all IAIGs must have, with no real explanation as to why the IAIS has come to this conclusion (a point Liberty Mutual has made in previous submissions). Required elements of such a plan include: "predefined criteria with quantitative and qualitative trigger points,

			<p>... credible options to respond to a range of severe stress scenarios, including both idiosyncratic and market-wide stress, and ... assessment of the necessary steps and time needed to implement the recovery actions." These and related matters will likely be very expensive to develop, yet there is no indication that any cost-benefit analysis of the value of having such a plan has been conducted by the IAIS. The IAIS simply has presumed such recovery plans to be necessary, even though existing requirements related to ORSA and other risk management systems may already address everything that would be included in a recovery plan.</p> <p>The need for recovery planning seems to be a concept that has been adopted from banking regulation in order to address the exposure of that industry to quickly emerging threats. The insurance business model is very different, where factors leading to the need for a recovery plan evolve over time and thus can be measured by insurers and monitored by supervisors using existing tools, such as ORSA, ERM, and strong management overall. The notion that management should have a recovery plan that could be used in an emergency to solve a problem that developed over years is naïve and misguided.</p>
288. MetLife, Inc	USA	No	Group-wide or lead supervisors should consider the activities in which an IAIGs engages (as well as the attendant costs and benefits) when determining the necessity, form, and content on a recovery plan, and not focus solely on the IAIGs size, scope or complexity. Additionally, the supervisor should have the discretion to accept alternative submissions in lieu of a separate, formal recovery plan to the extent that such submissions collectively satisfy the standard.
Q54 Comment on ComFrame Guidance CF16.13.a.1			
289. Assuris	Canada	No	Recovery plans should be reviewed and updated annually. If there are no material changes, recovery plans should still be updated with current values on an annual basis.
290. Insurance Europe	Europe	No	This introduces a series of factors which would have to be taken into account by the supervisor when setting recovery plan requirements. Insurance Europe believes that the proportionality principle should also be applied when considering whether the set-up of recovery plans is actually needed in all cases (in fact, Insurance Europe welcomes the introduction of proportionality considerations in ICP 16.13.1 and believes these should be extended to ComFrame as well). This would ensure that certain firms do not devote unnecessary resources developing such plans when the relevance of doing so is rather limited and could be counter-productive (where it acts as a distraction for more effective preventative measures). There should be a possibility for national supervisory authorities to exclude insurers that are less complex from the scope of this requirement.
291. German Insurance Association	Germany	No	GDV believes that the proportionality principle should also be applied when considering whether the set-up of recovery plans is actually needed in all cases (in fact, GDV welcomes the introduction of proportionality considerations in ICP 16.13.1 and believes these should be extended to ComFrame as well). This would ensure that certain firms do not devote

			unnecessary resources developing such plans when the relevance of doing so is rather limited and could be counter-productive (where it acts as a distraction for more effective preventative measures). There should be a possibility for national supervisory authorities to exclude insurers that are less complex from the scope of this requirement.
292. Global Federation of Insurance Associations	Global	No	<p>GFIA welcomes the explicit reference to considering the particular characteristics of the IAIG, rather than adopting a one-size-fits-all approach to recovery planning.</p> <p>GFIA agrees that the form, content and detail of the recovery plan should be determined by the nature of the insurer, and suggest that the Guidance clarifies that a "recovery plan" need not always be a stand-alone, specially-prepared "plan", but could instead point to work the insurer had already done to consider options for restoring financial strength and viability, e.g. internal capital policies.</p> <p>Given the recovery plan is an internal risk management tool, the frequency of updating it should be determined by the IAIG, based on material changes to risk or business structure. The long-term nature of life insurance business, in particular, suggests that the requirement to update the plan should not be unnecessarily frequent.</p> <p>GFIA is of the view that the proportionality principle should be applied when considering whether the set-up of recovery plans is actually needed in all cases. Applying the proportionality principle would ensure that certain firms do not devote unnecessary resources developing such plans when the relevance of doing so is rather limited and could be counter-productive where it acts as a distraction from more effective, preventative measures. There should be a possibility for national supervisory authorities to exclude insurers that are less complex from the scope of this requirement.</p> <p>Therefore, GFIA suggests that it be modified to read: "The group-wide supervisor should consider the IAIG's nature, scale, and complexity when determining if a recovery plan is required and when setting recovery plan requirements".</p> <p>In addition, the following sentence should be added: "The group-wide supervisor should have the discretion to accept alternative submissions in lieu of a separate recovery plan so long as such submission meets the standards set forth in this section".</p>
293. General Insurance Association of Japan	Japan	No	<p>It is far from appropriate to require a recovery plan for all IAIGs in a uniform manner. Given the principle of proportionality, the requirements on a recovery plan for an IAIG should be decided in proportion to its ICS Ratio, difficulties as may be identified in the ORSA process, etc.</p> <p>Where a recovery plan is required for those IAIGs which demonstrate sound financial conditions and no sign or imminent risk of deterioration, a relatively simple plan should suffice as opposed to those IAIGs which come short of the qualities mentioned above.</p>

			For example, it is reasonable when an insurer is in a sound condition required developing only an outline and when the insurer is considered financial damaged condition required a detailed plan.
294. American Council of Life Insurers	Office of General Counsel	No	We suggest that this be modified to read: "The group-wide supervisor should consider the IAIG's nature, scale, and complexity when determining if a recovery plan is required and when setting recovery plan requirements, ..." In addition, the following sentence should be added: "The group-wide supervisor should have the discretion to accept alternative submissions in lieu of a separate recovery plan so long as such submission meets the standards set forth in this section".
295. Swiss Financial Market Supervisory Authority (FINMA)	Switzerland	No	FINMA suggests amending the guidance with a 2nd sentence with more examples: "For example, a recovery plan may be included in tools like ORSA or contingency planning.
296. Swiss Re	Switzerland	No	We welcome the reference to proportionality. While proportionality will be important in the supervisors' decision regarding the overall expectations towards a given recovery plan, proportionality will also guide the detailed content of the plan.
297. Association of British Insurers	United Kingdom	No	<p>The ABI welcomes the explicit reference to considering the particular characteristics of the IAIG, rather than adopting a one-size-fits-all approach to recovery planning.</p> <p>The ABI agrees that the form, content and detail of the recovery plan should be determined by the nature of the insurer, and suggest that the Guidance clarifies that a "recovery plan" need not always be a stand-alone, specially-prepared "plan", but could instead point to work the insurer has already done to consider options for restoring financial strength and viability, e.g. internal capital policies.</p> <p>Given that the recovery plan is an internal risk management tool, the frequency of updating should be determined by the IAIG, based on material changes to risk or business structure. The long-term nature of life insurance business in particular suggests that the requirement to update the plan should not be unnecessarily frequent.</p>
298. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q55 Comment on ComFrame Guidance CF16.13.a.2			

299. Insurance Europe	Europe	No	<p>Insurance Europe agrees, but only if the proportionality principle is respected. It should be noted that the exact nature and timing of recovery action will be a matter requiring management discretion depending on the circumstances. Pre-defined triggers should not impede this.</p> <p>Therefore, meeting the chosen criteria should not trigger the implementation of the recovery plan, which implies the implementation of recovery options, but it should rather trigger a specific and dedicated governance body within the IAIG to assess whether or not it is appropriate, given the circumstances, to enter into recovery.</p>
300. Global Federation of Insurance Associations	Global	No	<p>The exact nature and timing of recovery action will be a matter requiring management discretion depending on the circumstances. Pre-defined triggers should not impede this, and therefore the GFIA suggests that pre-defined criteria should only trigger consideration of recovery actions under the recovery plan, as the exact nature and timing of recovery action will be a matter requiring management discretion depending on the circumstances. The recovery actions anticipated in the recovery plan will not always be the appropriate actions to take, and actions should be taken on a case-by-case basis.</p> <p>As noted in ICP 16.13, the recovery plan identifies in advance the range of options available to an insurer to restore financial strength and viability. As such, and consistent with Revised 16.13.a.5, a recovery plan should serve as a guide for the insurer and the supervisors for crisis preparedness and management, rather than a directive to take specific actions upon the occurrence of per-defined triggers. Since actual stress events are inherently unpredictable, management must maintain wide discretion to select and utilize the appropriate recovery tools. As such, GFIA would strongly urge against the establishment of rigid, pre-defined triggers for recovery actions.</p>
301. General Insurance Association of Japan	Japan	No	<p>It is far from appropriate to require a recovery plan for all IAIGs in a uniform manner. Given the principle of proportionality, the requirements on a recovery plan for an IAIG should be decided in proportion to its ICS Ratio, difficulties as may be identified in the ORSA process, etc.</p> <p>Where a recovery plan is required for those IAIGs which demonstrate sound financial conditions and no sign or imminent risk of deterioration, a relatively simple plan should suffice as opposed to those IAIGs which come short of the qualities mentioned above.</p> <p>For example, it is reasonable when an insurer is in a sound condition required developing only an outline and when the insurer is considered financial damaged condition required a detailed plan.</p> <p>The guidance should be revised as follows: "Recovery planning is the responsibility of the IAIG. The IAIG should be able to take actions for recovery, in particular when any pre-defined criteria, especially those relating to the financial soundness of the IAIG, are met that trigger the implementation of the recovery plan".</p>
302. American Council of Life Insurers	Office of General Counsel	No	<p>As noted in ICP 16.13, the recovery plan identifies in advance the range of options available to an insurer to restore financial strength and viability. As such, and consistent with revised 16.13.a.5, a recovery plan should serve as a guide for the insurer and the supervisors for crisis preparedness and management, rather than a directive to take specific actions upon the occurrence of per-defined triggers. Since actual stress events are inherently unpredictable, management must</p>

			maintain wide discretion to select and utilize the appropriate recovery tools. As such, we would strongly urge against the establishment of rigid, pre-defined triggers for recovery actions.
303. Association of British Insurers	United Kingdom	No	The exact nature and timing of recovery action will be a matter requiring management discretion depending on the circumstances. Pre-defined triggers should not impede this, and therefore the ABI suggests that pre-defined criteria should only trigger consideration of recovery actions under the recovery plan, as the exact nature and timing of recovery action will be a matter requiring management discretion depending on the circumstances. The recovery actions anticipated in the recovery plan will not always be the appropriate actions to take, and actions should be taken on a case-by-case basis.
304. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
305. MetLife, Inc	USA	No	As noted in ICP 16.13, the recovery plan identifies in advance the range of options available to an insurer to restore financial strength and viability. As such, and consistent with Revised 16.13.a.5, a recovery plan should serve as a guide for the insurer and the supervisors for crisis preparedness and management, rather than a directive to take specific actions upon the occurrence of per-defined triggers. Since actual stress events are inherently unpredictable, management must maintain wide discretion to select and utilize the appropriate recovery tools. As such, we would strongly urge against the establishment of rigid, pre-defined triggers for recovery actions.
Q56 Comment on ComFrame Guidance CF16.13.a.3			
306. Insurance Europe	Europe	No	Insurance Europe agrees.
307. American Council of Life Insurers	Office of General Counsel	No	As noted in ICP 16.13, the recovery plan identifies in advance the range of options available to an insurer to restore financial strength and viability. As such, and consistent with revised 16.13.a.5, a recovery plan should serve as a guide for the insurer and the supervisors for crisis preparedness and management, rather than a directive to take specific actions upon the occurrence of per-defined triggers. Since actual stress events are inherently unpredictable, management must maintain wide discretion to select and utilize the appropriate recovery tools. As such, we would strongly urge against the establishment of rigid, pre-defined triggers for recovery actions.
308. Swiss Re	Switzerland	No	The requirement appears to introduce the concept of material legal entities and service companies (as part of the non-regulated companies category), which is a concept from resolution planning. Measures applicable to a going-concern case and a gone-concern case will be different. We therefore urge the IAIS to delete this guidance, in order to keep recovery planning and resolution planning separate.

309. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
310. MetLife, Inc	USA	No	See comments to CF 16.13.a.2 under Q 55 above.
Q57 Comment on ComFrame Guidance CF16.13.a.4			
311. Association of British Insurers	United Kingdom	No	The ABI welcomes the statement that the recovery plan should serve as a guide, as the recovery plan is a management tool, with the actions taken for management to decide.
312. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q58 Comment on ComFrame Guidance CF16.13.a.5			
313. Global Federation of Insurance Associations	Global	No	The GFIA welcomes the statement that the recovery plan should serve as a guide, as the recovery plan is a management tool, with the actions taken for management to decide.
314. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q59 Comment on ComFrame Guidance CF16.13.a.6			
315. Global Federation of Insurance Associations	Global	No	GFIA would suggest the following principles that should be followed when drafting a recovery plan: In general, if the probability of a company to enter in regulatory recovery is low, an additional pre-emptive recovery plan is less or not necessary. A group recovery plan should be sufficient and should automatically satisfy requests for setting up national plans for subsidiaries, as recovery measures concern the whole group. A myriad of local recovery plans would unduly increase the regulatory burden without bringing added value. A group recovery plan should be deemed sufficient, as increased cooperation and coordination between relevant authorities

			<p>will have ensured that such plan is appropriate.</p> <p>The adequacy of recovery options should be assessed against, and commensurate to, the stresses applied. The modelled stresses should be restricted to a few meaningful ones and an idiosyncratic one, to test the adequacy of recovery options. At the same time, it must be recognised that testing cannot cover all circumstances and eventualities.</p> <p>Data privacy must be secured when sharing the recovery plan among relevant supervisors and the confidentiality of the recovery plan must be ensured.</p> <p>The plan should include the identification of possible recovery options, such as actions to strengthen the capital situation.</p>
316. Swiss Re	Switzerland	No	<p>The focus on "operations" in the first bullet point is more appropriate for business continuity planning. It would be more appropriate to generally consider discontinuing writing new business in certain business lines, or divesting specific entities and/or portfolios.</p> <p>Also, the concept of critical functions is indirectly introduced in recovery (second bullet point) when it should thematically be addressed in resolution planning. We therefore suggest that IAIS deletes both bullet points. If both bullet points are maintained by the IAIS, it would be necessary to clarify what is addressed under the recovery planning heading, and what under the resolution planning one, and how everything fits together.</p>
317. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q60 Comment on ComFrame Guidance CF16.13.a.7			
318. Assuris	Canada	No	<p>Assuris strongly supports the additional guidance added for what should be included in recovery plans. IAIGs should provide detailed information in recovery plans to understand the entities covered by the plan and specific actions the IAIG will take during recovery.</p> <p>Recovery plans should contain useful information to understand the barriers to restructuring and resolvability. This type of information includes:</p> <ul style="list-style-type: none"> - Corporate structures do not align with business units; - Parental guarantees; - Assets supporting policyholder liabilities located in different jurisdiction than the business; - Saleability of the business including current market values;

			<ul style="list-style-type: none"> - Intercompany reinsurance and service agreements; and - Impact on policyholder liabilities if derivative program collapses. <p>Assuris supports that only IAIGs, that have been determined by the group-wide supervisor and/or resolution authorities, should prepare resolution plans if it deems necessary.</p>
319. Insurance Europe	Europe	No	<ul style="list-style-type: none"> - In the first bullet point, the inclusion of a description of the "main risks" within the plan is unnecessary and should be deleted. The recovery plan should focus on actions that may be taken to recover from an event when it occurs, not on what risks may give rise to that event, which will be the subject of risk management more generally. - For the second bullet point the description of functions and/or services should be deleted as this will be a relevant consideration for resolution rather than recovery planning. - The fourth and fifth bullet points are similar in nature and should be combined. - For the final bullet point, this should be amended to refer to "Communication framework with stakeholders", as strategies for communication will necessarily depend on the circumstances of specific events.
320. Global Federation of Insurance Associations	Global	No	<p>In the first bullet point, the inclusion of a description of the "main risks" within the plan is unnecessary and should be deleted. The recovery plan should focus on actions that may be taken to recover from an event where it occurs, not on what risks may give rise to that event which will be the subject of risk management more generally.</p> <p>With regard to the third bullet point, IAIS should clarify that the pre-defined criteria may trigger consideration of recovery actions by the insurer's management. The recovery actions anticipated in the recovery plan will not always be the appropriate actions to take, and actions should be taken on a case-by-case basis.</p> <p>Recovery plans outline the range of actions that may be taken in response to stress events. Again, GFIA would urge against dictating that an insurer take any specific, pre-defined course of action in response to a stress event.</p> <p>Again, it should be underscored that the recovery measures included in the recovery plans are identified as provisional options and when recovery actions are initiated, the IAIG will determine the suitable measures they take as appropriate to the circumstances.</p>
321. General Insurance Association of Japan	Japan	No	<p>As described in paragraph 21 of the ComFrame Introduction, that ComFrame guidance "does not represent any requirements", the list of issues to be included in the Recovery Plans is provided as a guidance. Therefore, we suggest revising "should include" to "may include".</p> <p>It should be more clearly stated in the standard that Recovery Plans should be developed taking into account of the</p>

			<p>proportionality principle to reflect the difference in capital structure, risk profile, scale, complexity, etc. of each IAIG. With regard to the quantitative trigger points, clear reference should be made on the consistency with the ICS as a PCR. Therefore, the third bullet point should be revised as follows: "pre-defined criteria with quantitative and qualitative trigger points (such as considering the ICS ratio as a PCR), governance, escalation mechanisms and supporting processes to ensure timely implementation of recovery actions".</p>
322. The Life Insurance Association of Japan	Japan	No	<p>It should be underscored that the recovery measures included in the recovery plans are identified as provisional options and when recovery actions are initiated, the IAIG will determine the suitable measures they take as appropriate to the circumstances. Therefore, the third bullet point should be amended as follows in order to refer to such determination: ? - "pre-defined criteria with quantitative and qualitative trigger points, governance, escalation mechanisms and supporting processes to ensure timely decisions for selection and implementation of recovery actions"</p>
323. American Council of Life Insurers	Office of General Counsel	No	<p>Recovery plans outline the range of actions that *may* be taken in response to stress events. Again, we would urge against dictating that an insurer take any specific, pre-defined course of action in response to a stress event. Therefore, the first part of the sentence should read: "Recovery plans may, subject to the proportionality principle, include:"</p>
324. Swiss Re	Switzerland	No	<p>Similar to 16.13.a.6 above, this could be misunderstood as introducing the concept of critical functions, (second bullet point) as currently addressed in the FSB Key Attributes. Perhaps IAIS could clarify how this concept differs from the Key Attributes.</p> <p>Further, including into the recovery plan a description of the entities covered by the plan, including their legal structure, core business lines and main risks, has the impact of making the recovery planning document overly cumbersome as a management instrument. We consider this requirement covered by 16.13.b, where the management information systems should be able to produce this information as needed. We therefore suggest to delete the first bullet point.</p> <p>We appreciate that with regard to communication there is no longer just a focus on external stakeholders.</p>
325. Association of British Insurers	United Kingdom	No	<p>The first bullet point should be deleted. Inclusion of a description of the "main risks" within the plan is unnecessary. The recovery plan should focus on actions that may be taken to recover from an event when it occurs, not on what risks may give rise to that event - these will be the subject of risk management more generally.</p> <p>The second bullet point should be deleted. Inclusion of a description of functions/and/or services is a relevant consideration for resolution rather than recovery planning.</p> <p>With regard to the third bullet point, the IAIS should clarify that the pre-defined criteria may trigger consideration of recovery actions by the insurer's management. The recovery actions anticipated in the recovery plan will not always be the appropriate actions to take, and actions should be taken on a case-by-case basis.</p>

			<p>The fourth and fifth bullet points are similar in nature and should be combined.</p> <p>For the seventh and final bullet point, this should be amended to refer to "Communication framework with stakeholders", as strategies for communication will necessarily depend on the circumstances of specific events.</p>
327. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
328. MetLife, Inc	USA	No	Recovery plans outline the range of actions that MAY be taken in response to stress events. Again, we would urge against dictating that an insurer take any specific, pre-defined course of action in response to a stress event.
Q61 Comment on ComFrame Guidance CF16.13.a.8			
329. Insurance Europe	Europe	No	<p>Insurance Europe would suggest the following principles that should be followed when drafting a recovery plan:</p> <ul style="list-style-type: none"> - In general, if the probability of a company to enter in regulatory recovery is low, an additional pre-emptive recovery plan is less or not necessary. - A group recovery plan should be sufficient and should automatically satisfy requests for setting up national plans for subsidiaries, as recovery measures concern the whole group. A myriad of local recovery plans would unduly increase the regulatory burden without bringing added value. - A group recovery plan should be deemed sufficient, as increased cooperation and coordination between relevant authorities will have ensured that such plan is appropriate. - The adequacy of recovery options should be assessed against, and commensurate to, the stresses applied. The modelled stresses should be restricted to a few meaningful ones and an idiosyncratic one, to test the adequacy of recovery options. At the same time, it must be recognised that testing cannot cover all circumstances and eventualities. - Data privacy must be secured when sharing the recovery plan among relevant supervisors and the confidentiality of the recovery plan must be ensured. - The plan should include the identification of possible recovery options, such as actions to strengthen the capital situation.
330. Global Federation of Insurance Associations	Global	No	<p>The requirement in CF16.13. a.8 for triggers based on external factors (such as market conditions and macro-economic conditions) appears inappropriate, as it suggests that a firm must establish a recovery plan regardless of its own existence and realities. This does not appear to be realistic.</p> <p>The relevant supervisors should have discretion to determine the necessity and appropriate content and detail of an insurer's recovery plan. As such, GFIA would suggest that the lead-in to CF 16.13.a.8 be revised to state that "Recovery plans may, subject to the proportionality principle, include."</p>

331. General Insurance Association of Japan	Japan	No	We support the refence to the qualitative and quantitative criteria. Flexibility should be allowed with regard to the decision to trigger actions for recovery since there may be cases where breach is only temporal. The intention of referring to the PCR is not clear. "PCR" should be referred in a way that is consistent with the development of the ICS. Therefore, the guidance should be revised as follows: "Pre-defined criteria should be well-defined and aligned with contingency plans. They should include qualitative and quantitative criteria, such as a potential breach of a prescribed capital requirement (PCR), which the ICS is trying to identify. Criteria may also include triggers based on: liquidity, market conditions, macro-economic conditions, and the insurer's operational conditions".
332. The Life Insurance Association of Japan	Japan	No	Although it is stated that a potential breach of a prescribed capital requirement should be included in Pre-defined criteria, it seems unnecessary as criteria of PCR already works as the first trigger to communicate with the authority. In addition, given there is an on-going discussion on the calibration and the usage of ICS, we believe it is premature to include any cases. Therefore the sentence "such as a potential breach of a prescribed capital requirement" should be deleted.
333. American Council of Life Insurers	Office of General Counsel	No	The relevant supervisors should have discretion to determine the necessity and appropriate content and detail of an insurer's recovery plan. As such, we would suggest that the lead-in to CF 16.13.a.8 be revised to state that "Recovery plans may, subject to the proportionality principle, include."
334. Association of British Insurers	United Kingdom	No	Triggers based on external factors are not appropriate, as they imply that a firm would implement a recovery plan regardless of its own circumstances - which is not realistic.
335. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
336. MetLife, Inc	USA	No	The relevant supervisors should have discretion to determine the necessity and appropriate content and detail of an insurer's recovery plan. As such, we would suggest that the lead-in to CF 16.13.a.8 be revised to state that "Recovery plans may, subject to the proportionality principle, include."
Q62 Comment on ComFrame Guidance CF16.13.a.9			
337. Global Federation of Insurance Associations	Global	No	Pre-defined criteria seem unnecessary as criteria of PCR already works as the first trigger to communicate with the authority. In addition, given there is an on-going discussion on the calibration and the usage of ICS, GFIA takes the view that it is premature to include any cases. Therefore, the sentence "such as a potential breach of a prescribed capital requirement" should be deleted.

338. General Insurance Association of Japan	Japan	No	It should be more clearly stated in the standard that Recovery Plans should be developed taking into account of the proportionality principle to reflect the difference in capital structure, risk profile, scale, complexity, etc. of each IAIG.
339. American Council of Life Insurers	Office of General Counsel	No	The first part of the sentence should read: "Possible action for recovery *may* include:"
340. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
341. Prudential Financial, Inc.	United States of America	No	The text in this point of guidance should be made more general and consistent throughout by rewording it to read as follows - "Pre-defined criteria should be well-defined and aligned with contingency plans. They should include qualitative and quantitative criteria including triggers based on capital adequacy, liquidity, market conditions, macro-economic conditions, and the insurer's operational conditions."
Q63 Comment on ComFrame Guidance CF16.13.a.10			
342. Assuris	Canada	No	Recovery plans should be reviewed and updated annually. If there are no material changes, recovery plans should still be updated with current values on an annual basis.
343. Global Federation of Insurance Associations	Global	No	The first part of the sentence should read: "Possible actions for recovery may include:"
344. AIA Group	Hong Kong	No	We suggest removing this requirement as the recovery plan is for internal management use to inform them of the actions to take during stress circumstances. This information is sensitive and should be considered in conjunction with market developments and feasibility at times of stress. Supervisory review of the plan might not add much value to the credibility and effectiveness of the plan. However, insurers could provide supervisors an overview of the management actions to recover capital adequacy through the ORSA report.
345. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

346. Prudential Financial, Inc.	United States of America	No	We recommend revising this point of guidance to read as follows - "Possible actions for recovery include: + strengthening the IAIG's capital position, such as recapitalizations; + capital conservation, such as cost containment and suspension of share repurchases, dividends and of payments of variable remuneration;"
Q64 Comment on ComFrame Guidance CF16.13.a.11			
347. Swiss Re	Switzerland	No	This standard is not consistent with 16.13.a.2, which clearly states that recovery is the responsibility of the insurer, which we strongly agree with. We strongly urge IAIS to delete 16.13.a.11.
348. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q65 Comment on ComFrame Standard CF16.13.b			
349. Insurance Europe	Europe	No	Insurance Europe would welcome more clarity on how proportionality would apply in the requirement for the maintenance of a Management Information System.
350. Global Federation of Insurance Associations	Global	No	GFIA welcomes the amendments that have been made to this Standard and Guidance CF16.13. b.1 to make it clear that a separate MIS is not required for the purpose of recovery planning. However, GFIA suggests that this Standard and Guidance could provide more clarity on how proportionality would apply in the requirement for the maintenance of a Management Information System. The first part of the sentence should read: "The group-wide supervisor may require the Head of the IAIG".
351. General Insurance Association of Japan	Japan	No	We agree that the IAIGs should have in place a management information system. Operation of such system should be conducted in a proportional manner. For example, with regard to the frequency of the information collection, it should depend on the IAIG's systemic importance and the level of urgency of its recovery.

352. American Council of Life Insurers	Office of General Counsel	No	The first part of the sentence should read: "The group-wide supervisor *may* require the Head of the IAIG ..."
353. Association of British Insurers	United Kingdom	No	The ABI welcomes the amendments that have been made to this Standard and Guidance CF16.13.b.1 to make it clear that a separate MIS is not required for the purpose of recovery planning.
355. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q66 Comment on ComFrame Guidance CF16.13.b.1			
357. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q67 Comment on ComFrame Guidance CF16.13.b.2			
358. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

ComFrame in ICP 23

Organisation	Jurisdiction	Confidential	Answer
Q1 General Comment on ComFrame in ICP 23			
1. China Banking and Insurance Regulatory	China	No	The group-wide supervision related sections in CF 23.0 to 23.3 mention non-insurance entities. We suggest that for any requirement for such non-insurance entities, the existing regulatory requirements, including data submissions, quantitative

Commission (CBIRC)			requirements or disclosures should be leveraged as much as possible, to avoid potential duplicated regulations or cross-sectoral regulatory inconsistencies.
2. Insurance Europe	Europe	No	<p>Insurance Europe appreciates that the IAIS took the effort to map out how Elements 1 and 2 of Module 1 of the 2014 draft ComFrame are reflected in the draft ComFrame provisions in ICP 23. Most of the additional guidance added is appreciated, subject to the comments made below. A particularly concerning element of the new guidance is represented by the explicit reference and judgements made by the IAIS with respect to the European Union. This guidance should be deleted and, instead, the IAIS should consult on a definition of "jurisdiction" that gives supervisors the relevant and necessary information to assess potential IAIGs against the proposed criteria.</p> <p>On the general structure of ICP 23 including the ComFrame material, Insurance Europe notes the following potential inconsistencies:</p> <ul style="list-style-type: none"> - The provisions around the identification of the head of the group / Head of the IAIG can be found at different levels of the framework, ie CF Standard level for IAIGs and only Guidance level for other groups. Furthermore, references to these provisions should be made where ICPs / ComFrame provisions apply to the Head/head. - Provisions on obtaining information are detailed for IAIGs only (CF 23.2.a and guidance) although similar considerations would apply for non-IAIGs. It would further be worth considering whether the content of these ComFrame provisions would not be more suitable under ICPs 3 (Information Exchange and Confidentiality Requirements), 9 (Reporting) and/or 25 (Supervisory Cooperation and Coordination). - Similarly, the last sentence in ICP 23.0.3 seems to be obsolete and should be deleted. Alternatively, references to the above-mentioned related ICPs should be made.
3. Global Federation of Insurance Associations	Global	No	GFIA asks the IAIS to remove Guidance 23.0.a.5 and instead propose a definition of "jurisdiction" to enhance the objectivity of the criteria.
4. Cincinnati Insurance Company	United States of America	No	<p>[1] The IAIS is seeking feedback on the draft overall Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) through public consultation. The overall ComFrame includes the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5 (Suitability of Persons); ICP 7 (Corporate Governance); ICP 8 (Risk Management and Internal Controls); ICP 9 (Supervisory Review and Reporting); ICP 10 (Preventive Measures, Corrective Measures and Sanctions); ICP 12 (Exit from the Market and Resolution); ICP 15 (Investments); ICP 16 (Enterprise Risk Management for Solvency Purposes); ICP 23 (Group-wide Supervision); ICP 25 (Supervisory Cooperation and Coordination). [2] As we have stated many times in similar sets of consultation comments, our company does not believe that the world needs a set of Insurance Core Principles (ICPs), either as a standalone regulatory code or one enhanced and amplified for IAIGs under ComFrame. We also object to the program under which the International Monetary Fund (IMF) grades the U.S. insurance regulatory system on its compliance with the ICPs. [3] The core principles upon which</p>

			the U.S. insurance regulatory system is premised have functioned perfectly for over 150 years and do not need an overhaul by the International Association of Insurance Supervisors (IAIS) or by its ostensible parent organization, the Financial Stability Board (FSB). [4] Therefore, we object to the overall ComFrame, including the ComFrame Introduction and ComFrame material integrated into the following ICPs: ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25. There is no need for the IAIS to promulgate an international insurance code on the topics addressed by ICP 5, 7, 8, 9, 10, 12, 15, 16, 23 and 25, or to otherwise claim authority to regulate in these areas. The U.S. and other regulatory regimes are capable of regulating in these areas on their own without interference by the IAIS.
Q2 Comment on ComFrame Standard CF23.0.a			
5. General Insurance Association of Japan	Japan	No	We understand that there is a discussion within the IAIS regarding the possible identification of the IAIGs by the IAIS itself. In line with such discussion, the criteria used in identifying IAIGs can be revised as follows: "The group-wide supervisor, in cooperation with other involved supervisors, considers whether an insurance group or an insurance legal entity operating through branches, is an IAIG if it meets both the following criteria".
6. Monetary Authority of Singapore (MAS)	Singapore	No	Under the "Size' section, suggest to add the word "Total' in front of "Gross Written Premiums' for consistency.
7. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
8. Liberty Mutual Insurance Group	USA	No	There has been no change to the subjective criteria of \$50 billion in assets/\$10 billion in premium/transacting business in at least three jurisdictions test. Liberty Mutual has previously criticized this as an arbitrary measurement of an insurance group's complexity. We continue to question this cliff edge approach to regulation.
Q3 Comment on ComFrame Guidance CF23.0.a.1			
9. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q4 Comment on ComFrame Guidance CF23.0.a.2			

10. General Insurance Association of Japan	Japan	No	We would like to have confirmation that "group assets related to the insurance business of the group" does not have to be aggregate by asset class basis but by entity basis.
11. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q5 Comment on ComFrame Guidance CF23.0.a.3			
12. Insurance Europe	Europe	No	Insurance Europe appreciates the clarification added on "gross written premiums" and alternative similar volume measures.
13. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q6 Comment on ComFrame Guidance CF23.0.a.4			
14. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q7 Comment on ComFrame Guidance CF23.0.a.5			
15. Insurance Europe	Europe	No	<p>Insurance Europe does not support this guidance and asks that this is deleted. It further asks the IAIS to increase the objectivity of the assessment by providing a definition of "jurisdiction", on the basis of which the relevant criterion could be applied.</p> <p>Specifically, it believes that the added Guidance on "jurisdictions" pre-empts implementation and application of the ComFrame provisions in a consistent and comparable manner across IAIS member jurisdictions. Detailing the provisions as in the new Guidance CF23.0.a.5 is inappropriate and goes beyond the IAIS' remit The responsibility of the IAIS is to establish the framework and describe/define "jurisdiction" / "internationally active" in an objective manner, for IAIS members to interpret and comply with. The IAIS should then have a role in ensuring that implementation is being done consistently across its members.</p> <p>Furthermore, international insurance standards need to be designed in a way to not create competitive disadvantages between markets. Therefore, it is not understandable, nor justified, that the IAIS explicitly takes such a detrimentally</p>

			different approach towards the US and the European Union, without any justification provided. Insurance Europe therefore asks that this Guidance be deleted.
16. European Commission	European Commission	No	<p>The European Commission disagrees with the definition of the EU as multiple jurisdictions in the suggested IAIG definition here, while the USA is proposed to be considered as a single jurisdiction, for the following reasons:</p> <p>In terms of jurisdictional architecture, the USA is composed of several States, with legislation that is not fully harmonised. On the other hand, the Solvency 2 Directive and its related regulations constitute a harmonised insurance framework applied by all EU Member States.</p> <p>This single supervisory framework, based on robust group supervision under the control of a group supervisor with clear powers, is monitored by a single EU agency (EIOPA) ensuring a consistent application.</p> <p>Furthermore, it is noteworthy that the IMF carries out FSAPs of the EU and the Eurozone as a whole, not just of individual EU Member States.</p> <p>The European Commission therefore considers that the EU should be treated as a single jurisdiction for the purposes of IAIG definition. A treatment of the USA as a single jurisdiction while the EU Member States are treated as multiple jurisdictions goes against the evidence of the relative levels of harmonisation of insurance regulation and supervision.</p> <p>With the forthcoming application of the Holistic Approach and ICS, the definition and identification process of IAIGs must be the subject of discussions within the IAIS, in order to ensure a level playing field between insurers of different IAIS members.</p>
17. German Insurance Association	Germany	No	<p>International insurance standards need to be designed in a way to not create competitive disadvantages between markets. Therefore, it is not understandable, nor justified, that the IAIS explicitly takes such a detrimentally different approach towards the US and the European Union, without any justification provided. GDV therefore asks that this Guidance be deleted. GDV further asks the IAIS to increase the objectivity of the assessment by providing a definition of "jurisdiction", on the basis of which the relevant criterion could be applied.</p>
18. Global Federation of Insurance Associations	Global	No	<p>GFIA does not support this Guidance and asks that this is deleted, as it is not the remit of the IAIS to judge how supervisors assess the criteria in the case of particular jurisdictions such as the US and the EU. Instead, the IAIS should aim to foster comparability and objectivity in the Guidance by providing a definition of "jurisdiction" on the basis of which the relevant criterion could be applied. In the absence of a clear definition of "jurisdiction," any judgements by the IAIS on particular jurisdictions appear unjustified.</p>

19. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q8 Comment on ComFrame Guidance CF23.0.a.6			
20. Insurance Europe	Europe	No	"supervisor most demonstrating the characteristics of a group-wide supervisor" appears to indicate lack of legal certainty.
21. Association of British Insurers	United Kingdom	No	The ABI does not consider that the requirement "supervisor most demonstrating the characteristics of a group-wide supervisor" creates sufficient legal certainty as to who the group-wide supervisor is.
22. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q9 Comment on ComFrame Guidance CF23.0.a.7			
23. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q10 Comment on ComFrame Guidance CF23.0.a.8			
24. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q11 Comment on ComFrame Standard CF23.0.b			
25. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q12 Comment on ComFrame Guidance CF23.0.b.1			

26. German Insurance Association	Germany	No	GDV believes that the extension of the list of examples of situations where supervisors may determine the status of an IAIG without the group fulfilling the criteria is not called for and may not be beneficial for supervisors in practice.
27. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q13 Comment on ComFrame Guidance CF23.0.b.2			
28. China Banking and Insurance Regulatory Commission (CBIRC)	China	No	This section mentions that the supervisory judgement should be remained in identifying an IAIG, even when it does not satisfy the criteria set in CF 23.0.a. We support the use of supervisory discretion, and when using such powers, the underlying justifications should be reasonable and adequate, the process should be fair and transparent, so that the global consistency and comparability can be maintained.
29. Insurance Europe	Europe	No	<p>determine the status of an IAIG without the group fulfilling the criteria is not called for and may not be beneficial for supervisors in practice. From a current perspective, the number of IAIGs globally is manageable and supervisors should apply objective and verifiable criteria to set the scope consistently. The criteria established by the IAIS in CF 23.0.a together with the overarching concepts should provide experienced supervisors with the appropriate and sufficient balance between established guidance and leeway to achieve the objectives of group-supervision.</p> <p>The example in the first bullet point seems to further indicate that host supervisors (potentially overseeing overall smaller markets than the overall home/group-supervisor) have a right of overruling not just the IAIS established criteria but also the decision made by the group-supervisor. This would not be appropriate.</p>
30. Global Federation of Insurance Associations	Global	No	<p>The extension of the list of examples of situations where supervisors may determine the status of an IAIG without the group fulfilling the criteria is unnecessary, and may not be beneficial for supervisors in practice. Currently, the number of IAIGs globally is manageable and supervisors should apply objective and verifiable criteria to set the scope consistently. The criteria established by the IAIS in CF 23.0.a together with the overarching concepts should provide experienced supervisors with appropriate and sufficient balance between established guidance and leeway to achieve the objectives of group-supervision.</p> <p>The example in the first bullet point seems to further indicate that host supervisors (potentially overseeing overall smaller markets than the overall home/group-supervisor) have a right to overrule not just the IAIS-established criteria but also the</p>

			decision made by the group supervisor. This would be inappropriate. However, every jurisdiction and company should have legal or due process channels to challenge the group-wide supervisor if the supervisor is taking actions that ultimately harms or jeopardizes a jurisdiction or policyholders unfairly.
31. Monetary Authority of Singapore (MAS)	Singapore	No	"A host supervisor requests that the group be treated as an IAIG owing to the materiality of its operations in the host jurisdiction" - on a standalone basis, this discretion criteria does not appear reasonable given that even if the entity is material in one jurisdiction, the "internationally active" criteria should still be met.
32. Association of British Insurers	United Kingdom	No	<p>The extension of the list of examples of situations where supervisors may determine the status of an IAIG without the group fulfilling the criteria is unnecessary, and may not be beneficial for supervisors in practice. Currently, the number of IAIGs globally is manageable and supervisors should apply objective and verifiable criteria to set the scope consistently. The criteria established by the IAIS in CF23.0.a together with the overarching concepts should provide experienced supervisors with appropriate and sufficient balance between established guidance and leeway to achieve the objectives of group-supervision.</p> <p>The example in the first bullet point seems to further indicate that host supervisors (potentially overseeing overall smaller markets than the overall home/group-supervisor) has a right to overrule not just the IAIS established criteria but also the decision made by the group-supervisor. This would be inappropriate.</p>
33. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q14 Comment on ComFrame Guidance CF23.0.b.3			
34. Insurance Europe	Europe	No	Insurance Europe is not convinced that the list of examples provided is necessary, please refer to comment on ComFrame Guidance CF23.0.b.2.
35. Monetary Authority of Singapore (MAS)	Singapore	No	For a group which is currently an IAIG, the determination that it is not an IAIG should only be made once the disposals or cessation of business is finalized. If there is some uncertainty on the disposals or cessation, we are of the view that the group should still be considered an IAIG.
36. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

Q15 Comment on ComFrame Standard CF23.0.c			
37. General Insurance Association of Japan	Japan	No	The decision on the identification/non-identification of the IAIG should be made in a document.
38. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q16 Comment on ComFrame Standard CF23.0.d			
39. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q17 Comment on ComFrame Guidance CF23.0.d.1			
40. Association of British Insurers	United Kingdom	No	There should also be a provision for an ad hoc review of the IAIG determination outside of the 3-year cycle - for example, following a significant change in business strategy or the risk environment.
41. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q18 Comment on ComFrame Standard CF23.1.a			
42. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
43. Liberty Mutual Insurance Group	USA	No	The decision of which entity is the Head of an IAIG is made by supervisors. See CF 23.1. Liberty Mutual previously has suggested the company's input should be considered and we repeat that recommendation here.

Q19 Comment on ComFrame Standard CF23.1.b			
44. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q20 Comment on ComFrame Guidance CF23.1.b.1			
45. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q21 Comment on ComFrame Standard CF23.1.c			
46. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q22 Comment on ComFrame Guidance CF23.1.c.1			
47. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q23 Comment on ComFrame Guidance CF23.1.c.2			
48. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q24 Comment on ComFrame Guidance CF23.1.c.3			
49. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q25 Comment on ComFrame Guidance CF23.1.c.4			

50. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q26 Comment on ComFrame Standard CF23.1.d			
51. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q27 Comment on ComFrame Guidance CF23.1.d.1			
52. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q28 Comment on ComFrame Guidance CF23.1.d.2			
53. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q29 Comment on ComFrame Guidance CF23.1.d.3			
54. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q30 Comment on ComFrame Standard CF23.1.e			
55. Insurance Europe	Europe	No	The criterion in the second bullet point seems to be overly subjective. The criteria for determining the Head of an IAIG should be objective and transparent.
56. Global Federation of Insurance Associations	Global	No	GFIA notes that the ComFrame material depends on an accurate identification of the Head of the IAIG, and therefore the criteria for determining the Head of an IAIG must be objective and transparent. However, the second bullet point seems to be overly subjective.

57. Association of British Insurers	United Kingdom	No	The ABI notes that the ComFrame material depends on an accurate identification of the Head of the IAIG, and therefore the criteria for determining the Head of an IAIG must be objective and transparent. However, the second bullet point seems to be overly subjective.
58. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
59. American Property Casualty Insurance Association (APCI)	USA	No	AIA notes that the ComFrame material depends on an accurate identification of the Head of the IAIG, and therefore the criteria for determining the Head of an IAIG must be objective and transparent. However, the second bullet point seems to be overly subjective.
Q31 Comment on ComFrame Guidance CF23.1.e.1			
60. Insurance Europe	Europe	No	It is unclear why banks should be targeted and excluded from the scope if the same requirements are fulfilled. A clarification would be appreciated.
61. Global Federation of Insurance Associations	Global	No	It is unclear why banks should be targeted and excluded from the scope if the same requirements are fulfilled. A clarification would be appreciated.
62. Association of British Insurers	United Kingdom	No	It is unclear why banks should be excluded from the scope if the same requirements are fulfilled. The ABI would ask the IAIS to clarify this point.
63. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
64. American Property Casualty Insurance	USA	No	It is unclear why banks should be targeted and excluded from the scope if the same requirements are fulfilled. A clarification would be appreciated.

Association (APCI)			
Q32 Comment on ComFrame Guidance CF23.1.e.2			
65. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q33 Comment on ComFrame Standard CF23.1.f			
66. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q34 Comment on ComFrame Guidance CF23.1.f.1			
67. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q35 Comment on ComFrame Standard CF23.2.a			
68. Insurance Europe	Europe	No	Provisions on obtaining information are detailed for IAIGs only, although similar considerations would apply for non-IAIGs. It would further be worth considering whether the content of these ComFrame provisions would not be more appropriate under ICPs 3 (Information Exchange and Confidentiality Requirements), 9 (Reporting) and/or 25 (Supervisory Cooperation and Coordination).
69. Global Federation of Insurance Associations	Global	No	These considerations may be more appropriate under ICPs 3 (Information Exchange and Confidentiality Requirements), 9 (Reporting) and/or 25 (Supervisory Cooperation and Coordination).
70. Association of British Insurers	United Kingdom	No	The ABI proposes that these considerations would be more appropriate under ICPs 3 (Information Exchange and Confidentiality Requirements), 9 (Reporting) and/or 25 (Supervisory Cooperation and Coordination).

71. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
72. American Property Casualty Insurance Association (APCI)	USA	No	These considerations may be more appropriate under ICPs 3 (Information Exchange and Confidentiality Requirements), 9 (Reporting) and/or 25 (Supervisory Cooperation and Coordination).
Q36 Comment on ComFrame Guidance CF23.2.a.1			
73. Global Federation of Insurance Associations	Global	No	As these are out of the Head of the IAIG's control, it may be practically difficult that supervisors ask the related group entities to obtain such information without requiring at least clarification of reasons. Therefore, the third and final bullet points should be deleted, or the first sentence should be amended to say "The group-wide supervisor may need to obtain information about related group entities when it is necessary in order to protect policyholders, such as".
74. The Life Insurance Association of Japan	Japan	No	As these are out of control of the Head of the IAIG, it may be practically difficult that supervisors ask the related group entities to obtain such information without requiring at least clarification of reasons. Therefore the third and final bullet points should be deleted or amended CF 23.2.a.1 as follows: The group-wide supervisor may need to obtain information about related group entities when it is necessary in order to protect policyholders, such as:"
75. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q37 Comment on ComFrame Guidance CF23.2.a.2			
76. Dirección General de Seguros y Fondos de Pensiones	Spain	No	This comment is linked to those situations where the group- wide supervisor requires information from entities related to the Head of the IAIG and subject to the supervisión of another supervisor. In these situations the group wide supervisor should need to go through the Head of the IAIG or through the supervisor of the related entity, including the related insurance supervisor if different. No direct access to the particular entity if the involved supervisor is different..In accordance with the previous a revision of CF 23. 2. a. 2 is considered necessary.

77. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q38 Comment on ComFrame Guidance CF23.2.a.3			
78. Cincinnati Insurance Company	United States of America	No	See answer to Q1.

ComFrame in ICP 25

Organisation	Jurisdiction	Confidential	Answer
Q54 General Comment on ComFrame in ICP 25			
314. Assuris	Canada	No	<p>Assuris is designated in legislation as the Policyholder Protection Scheme (PPS) for life insurance by both the Federal and Quebec governments. Assuris is also designated, under either legislation or regulation, as the policyholder protection scheme for life insurance in every other province and territories in Canada. Assuris was an active participant in four life insurer insolvencies. Assuris has provided funding to the failed insurer to ensure policyholder benefits are protected during the insolvency. In addition, Assuris has used its bridge institution to facilitate the transfer of assets and liabilities from the insolvent insurer.</p> <p>Assuris supports the establishment of a CMG for IAIGs to ensure the preparedness for and facilitating the recovery and resolution of the IAIG.</p>
315. Insurance Europe	Europe	No	<p>Insurance Europe generally supports the ComFrame material related to ICP 25 and the proposed revisions.</p> <p>Insurance Europe highlights that revisions to the text of ICP 25 are needed. Reference is made to the comments provided in response to the IAIS' consultations of ICP 25 from June 2017 (https://www.iaisweb.org/page/consultations/closed-consultations/2017/revision-of-icps-and-comframe/file/69871/icp-25-resolution-of-public-consultation-comments-from-stakeholders).</p>

316. Institute of International Finance	Global	No	As a general matter, we strongly recommend that ICP/ComFrame 25 sections serve as illustrative guidance, rather than prescriptive standards to allow for a wide range of effective supervisory approaches and regulatory frameworks. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks.
317. American Council of Life Insurers	Office of General Counsel	No	As a general matter, we strongly recommend that these sections serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks.
319. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
320. MetLife, Inc	USA	No	As a general matter, we strongly recommend that ICP/ComFrame 25 sections serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks. We comment to this effect on ICP/ComFrame Sections 9 and 10 also.
321. Property Casualty Insurers Association of America (PCI)	USA	No	As a general matter, we strongly recommend that ICP 25/ComFrame sections serve as illustrative guidance, rather than prescriptive standards. Allowing for flexible and proportionate application would avoid unnecessary changes to time-tested supervisory regimes and the potential disruption of well-developed insurance markets without commensurate benefits to global financial stability. Moreover, the ICPs/ComFrame should focus on desired outcomes and broad objectives, not strict compliance with defined requirements, and must be sufficiently adaptable to accommodate multiple jurisdictions' supervisory frameworks. We comment to this effect on ICP/ComFrame Sections 9 and 10 also.
Q55 Comment on ComFrame Guidance CF25.0.a.1			
322. Insurance Authority (IA)	China, Hong Kong	No	Suggest to add that indirect powers might also be considered. The indirect approach and the combined direct and indirect approach are also recognized as long as the supervisor can demonstrate in effect the outcome is similar to having supervisory requirements applied directly

323. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
324. Global Federation of Insurance Associations	Global	No	<p>GFIA suggests that this ComFrame Guidance, and the concept of "Head of the IAIG" generally, be considered in the context of the ICP and ComFrame's stated structure, which allows for a wide range of effective supervisory approaches and regulatory frameworks.</p> <p>By way of example, the US insurance law's revised insurance holding company system approach provides insurance regulators with the necessary tools to obtain key enterprise-wide and/or holding company information, including such tools as the Group Profile Summary that includes capital and risk reporting.</p> <p>The ICP and ComFrame Standards and Guidance should recognize such time-tested and effective regulatory and oversight frameworks, including their jurisdictional limitations.</p>
325. Institute of International Finance	Global	No	We suggest that this ComFrame guidance, and the concept of "Head of the IAIG" generally, be considered in the context of ICP/ComFrame's stated structure, which is to allow for a wide range of effective supervisory approaches and regulatory frameworks.
326. American Council of Life Insurers	Office of General Counsel	No	<p>We suggest that this ComFrame guidance, and the concept of "Head of the IAIG" generally, be considered in the context of ICP/ComFrame's stated structure, which is to allow for a wide range of effective supervisory approaches and regulatory frameworks.</p> <p>Indeed, US insurance law's revised insurance holding company system approach provides insurance regulators with the necessary tools to obtain key enterprise-wide and/or holding company information, including such tools as the Group Profile Summary that includes capital and risk reporting.</p> <p>ICP/ComFrame standards and guidance should recognize such time-tested and effective regulatory and oversight frameworks, including their jurisdictional limitations.</p>
328. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
329. American Property Casualty	USA	No	This ComFrame Guidance, and the concept of "Head of the IAIG" generally, should be considered in the context of the ICP and ComFrame's stated structure, which allows for a wide range of effective supervisory approaches and regulatory frameworks. The US insurance law's revised insurance holding company system approach provides insurance regulators

Insurance Association (APCI)			with the necessary tools to obtain key enterprise-wide and/or holding company information, including such tools as the Group Profile Summary that includes capital and risk reporting. The ICP and ComFrame Standards and Guidance should recognize such time-tested and effective regulatory and oversight frameworks, including their jurisdictional limitations.
330. MetLife, Inc	USA	No	<p>We suggest that this ComFrame guidance, and the concept of "Head of the IAIG" generally, be considered in the context of ICP/ComFrame's stated structure, which is to allow for a wide range of effective supervisory approaches and regulatory frameworks.</p> <p>Indeed, US insurance law's revised insurance holding company system approach provides insurance regulators with the necessary tools to obtain key enterprise-wide and/or holding company information, including such tools as the Group Profile Summary that includes capital and risk reporting.</p> <p>ICP/ComFrame standards and guidance should recognize such time-tested and effective regulatory and oversight frameworks, including their jurisdictional limitations.</p>
331. Property Casualty Insurers Association of America (PCI)	USA	No	<p>We suggest that this ComFrame guidance, and the concept of "Head of the IAIG" generally, be considered in the context of ICP/ComFrame's stated structure, which is to allow for a wide range of effective supervisory approaches and regulatory frameworks.</p> <p>Indeed, US insurance law's revised insurance holding company system approach provides insurance regulators with the necessary tools to obtain key enterprise-wide and/or holding company information, including such tools as the Group Profile Summary that includes capital and risk reporting.</p> <p>ICP/ComFrame standards and guidance should recognize such time-tested and effective regulatory and oversight frameworks, including their jurisdictional limitations.</p>
Q56 Comment on ComFrame Standard CF25.6.a			
332. Global Federation of Insurance Associations	Global	No	<p>Consistent with a flexible and risk-based approach to supervisory review and reporting, GFIA suggests that the frequency of the supervisory college be within the supervisory judgment and discretion of the group-wide supervisor based on discussions with IAIG management.</p> <p>GFIA therefore recommends that the phrase "at least annually" be changed to "periodically as deemed necessary by the group-wide supervisor."</p>

333. Institute of International Finance	Global	No	<p>Consistent with a flexible and risk-based approach to supervisory review and reporting, we suggest that the frequency of the supervisory college be within the supervisory judgment and discretion of the group-wide supervisor based on discussions with IAIG management.</p> <p>We therefore recommend that the phrase "at least annually" be changed to "periodically as deemed necessary by the group-wide supervisor."</p>
334. American Council of Life Insurers	Office of General Counsel	No	<p>Consistent with a flexible and risk-based approach to supervisory review and reporting, we suggest that the frequency of the supervisory college be within the supervisory judgment and discretion of the group-wide supervisor based on discussions with IAIG management.</p> <p>We therefore recommend that the phrase "at least annually" be changed to "periodically as deemed necessary by the group-wide supervisor."</p>
336. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
337. American Property Casualty Insurance Association (APCI)	USA	No	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.
338. MetLife, Inc	USA	No	Consistent with a flexible and risk-based approach to supervisory review and reporting, we suggest that the frequency of the supervisory college be within the supervisory judgment and discretion of the group-wide supervisor based on discussions with IAIG management. We therefore recommend that the phrase "at least annually" be changed to "periodically as deemed necessary by the group-wide supervisor."
339. Property Casualty Insurers Association of America (PCI)	USA	No	<p>Consistent with a flexible and risk-based approach to supervisory review and reporting, we suggest that the frequency of the supervisory college be within the supervisory judgment and discretion of the group-wide supervisor based on discussions with IAIG management.</p> <p>We therefore recommend that the phrase "at least annually" be changed to "periodically as deemed necessary by the group-wide supervisor."</p>

Q57 Comment on ComFrame Guidance CF25.6.a.1			
340. Global Federation of Insurance Associations	Global	No	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.
342. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
343. American Property Casualty Insurance Association (APCI)	USA	No	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.
Q58 Comment on ComFrame Guidance CF25.6.a.2			
344. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
345. Global Federation of Insurance Associations	Global	No	If a supervisory college is meeting annually (as provided in 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.
347. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q59 Comment on ComFrame Guidance CF25.6.a.3			
348. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.

350. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q60 Comment on ComFrame Guidance CF25.6.a.4			
351. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
352. General Insurance Association of Japan	Japan	No	CF16.1.c.2 provides that fungibility of capital should be considered in the risk assessment of its IGT. Fungibility of capital is also discussed in the ICS version 2.0 consultation document. Discussions within the Supervisory Colleges regarding an insurance group and fungibility should also be flexible until discussion on the fungibility of capital under the ICS moves forward.
354. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q61 Comment on ComFrame Guidance CF25.6.a.5			
355. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
357. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q62 Comment on ComFrame Standard CF25.6.b			
358. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
360. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q63 Comment on ComFrame Standard CF25.6.c			

361. Insurance Europe	Europe	No	Insurance Europe suggests to amend as follows: "The members of the IAIG's supervisory college discuss and assess a summary of the reference capital standard ICS prepared by the group-wide supervisor, as well as a summary of any additional reporting that has been reported to at the option of the group-wide supervisor."
362. Global Federation of Insurance Associations	Global	No	<p>Guidance related to ICS reporting, the manner of its reporting and how confidential data is reviewed and evaluated is premature. The ICS has not yet been adopted, and more importantly, the IAIS has yet to determine the governance of and the process to be followed for reporting during the monitoring period when the ICS is to be evaluated against existing capital standards or standards under development.</p> <p>GFIA would suggest that ComFrame Guidance on this issue should be set aside and this section deleted until the IAIS has developed the system of governance and process by which ratios will be reported and has explained to the satisfaction of volunteer groups how the confidentiality of sensitive non-public data will be preserved.</p>
363. Institute of International Finance	Global	No	<p>Although the ICS will ultimately become a component of ComFrame, it is still being developed as a separate standard, and will continue to be tested before any final decisions are made in terms of its implementation. As the standard is under development, it is premature to insert the ICS into supervisory college discussions and to include guidance related to ICS reporting in ComFrame. In particular, ComFrame 9.4.a provides that the group-wide supervisor would require the Head of the IAIG to report the reference ICS and, at the option of the group-wide supervisor, provide any additional reporting. ComFrame 25.6.c states that the members of the IAIG's supervisory college would discuss and assess a summary of the reference ICS prepared by the group-wide supervisor, as well as a summary of any additional reporting that has been reported at the option of the group-wide supervisor. Given that the ICS is not yet adopted or implemented, ComFrame guidance on reporting should be deferred and this section should be deleted until after the conclusion of the Monitoring Period. Please refer to our comment letter on the ICS, where we express our strongly held view that the ICS should only be reported to group-wide supervisors, and not to the entire supervisory college, during the Monitoring Period.</p>
364. American Council of Life Insurers	Office of General Counsel	No	<p>We believe that any guidance within ComFrame on the "reference ICS" is premature. The ICS 2.0 contains several unresolved issues and apparent placeholders—areas that need further assessment and policy evaluation. Given the number of unresolved issues and the inclusion of several new, untested items in the ICS, ideally the IAIS would consider delaying adoption until supervisors have had time to resolve the outstanding issues and thoroughly test new items. We recognize, however, that many IAIS supervisors consider themselves committed to adopting ICS 2.0. That is why we urge adding this sentence: "In the absence of any legal requirement applicable to the Head of the Group, the group-wide supervisor will discuss such reporting with the Head of the Group."</p> <p>We believe that this guidance should be deleted from ComFrame and further refined into a formal process for evaluating and improving the ICS. We welcome the recommendation for a framework for the ICS monitoring period in the consultation document. We offer these suggestions to make it more effective:</p>

			<p>1. An oversight committee should be created. The "policy process" should not be dismantled and dispersed.</p> <p>2. Impact assessments should be performed. Before concluding that the ICS is suitable for jurisdictional implementation, the IAIS should assess the potential impact of the ICS on local insurance markets and on insurance groups.</p> <p>3. A feedback loop for both supervisor and industry input should be established. We believe that robust supervisor and industry engagement and feedback is a center-piece of an effective monitoring period. A feedback loop should occur during the monitoring period to allow for emerging findings to inform potential refinements to the ICS.</p> <p>4. The monitoring period should be effectively and centrally administered. The assessment of "other methods" to an ICS should be done in a transparent manner and be subject to consultation with stakeholders. It should include principles for assessing comparability and include GAAP Plus, internal models, national discretions, and the Aggregation Method. The ICS should not be advanced in the absence of a vote at the end of the monitoring period that the final ICS is fit for purpose.</p> <p>5. Confidentiality of individual groups' data and results should be ensured.</p> <p>6. The ICS should not automatically be inserted into supervisory colleges. During the monitoring period, the ICS will continue to be calculated on a basis that is approximate and unaudited, and that lacks formal controls. Companies will not be managing to their ICS ratios because they will not be legally required to do so. Consequently, there is a risk that supervisors could draw misleading and inappropriate conclusions from ICS results during the monitoring period. The IAIS and supervisors should also not create any expectations that the monitoring period results will lead to any real world supervisory outcomes.</p>
366. Association of British Insurers	United Kingdom	No	The ABI proposes saying "additional associated reporting" to be clear that this additional reporting is in relation to the calculation of the reference ICS, otherwise the term "additional reporting" is too general.
368. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
369. Prudential Financial, Inc.	United States of America	No	We believe the "additional reporting" reference within the standard should be clarified by rewording the standard as follows - "The members of the IAIG's supervisory college discuss and assess a summary of the reference ICS prepared by the group-wide supervisor, as well as a summary of any alternative methods to an ICS that have been reported at the option of the group-wide supervisor."

370. MetLife, Inc	USA	No	Guidance related to ICS reporting and the manner of its reporting and how confidential data is reviewed and evaluated is premature. The ICS is not yet adopted and more importantly, the IAIS has yet to determine the governance of and the process to be followed for reporting during the monitoring period when the ICS is to be evaluated against existing capital standards or standards under development. We would suggest that ComFrame guidance on this issue should be set aside and this section deleted until such time as the IAIS have developed the system of governance and process by which ratios will be reported and have explained to the satisfaction of volunteer groups how the confidentiality of sensitive non-public data will be preserved. See also our comment on CF 9.4.a at Q22 above.
371. Property Casualty Insurers Association of America (PCI)	USA	No	Guidance related to ICS reporting and the manner of its reporting and how confidential data is reviewed and evaluated is premature. The ICS is not yet adopted and more importantly, the IAIS has yet to determine the governance of and the process to be followed for reporting during the monitoring period when the ICS is to be evaluated against existing capital standards or standards under development. We would suggest that ComFrame guidance on this issue should be set aside and this section deleted until such time as the IAIS have developed the system of governance and process by which ratios will be reported and have explained to the satisfaction of volunteer groups how the confidentiality of sensitive non-public data will be preserved. See also our comment on CF 9.4.a at Q21 above.
Q64 Comment on ComFrame Guidance CF25.6.c.1			
372. Global Federation of Insurance Associations	Global	No	As explained in response to Q63, GFIA is of the view that this Guidance is premature. That said, this requirement is too prescriptive, particularly for capital requirements that are in development (as mentioned in the first bullet point). GIFA is of the view that this Guidance should ultimately be a more pragmatic and proportionate request for a comparison against other capital requirements.
373. American Council of Life Insurers	Office of General Counsel	No	We believe that any guidance within ComFrame on the "reference ICS" is premature. The ICS 2.0 contains several unresolved issues and apparent placeholders—areas that need further assessment and policy evaluation. Given the number of unresolved issues and the inclusion of several new, untested items in the ICS, ideally the IAIS would consider delaying adoption until supervisors have had time to resolve the outstanding issues and thoroughly test new items. We recognize, however, that many IAIS supervisors consider themselves committed to adopting ICS 2.0. That is why we urge adding this sentence: "In the absence of any legal requirement applicable to the Head of the Group, the group-wide supervisor will discuss such reporting with the Head of the Group." We believe that this guidance should be deleted from ComFrame and further refined into a formal process for evaluating and improving the ICS. We welcome the recommendation for a framework for the ICS monitoring period in the consultation

			<p>document. We offer these suggestions to make it more effective:</p> <ol style="list-style-type: none"> 1. An oversight committee should be created. The "policy process" should not be dismantled and dispersed. 2. Impact assessments should be performed. Before concluding that the ICS is suitable for jurisdictional implementation, the IAIS should assess the potential impact of the ICS on local insurance markets and on insurance groups. 3. A feedback loop for both supervisor and industry input should be established. We believe that robust supervisor and industry engagement and feedback is a center-piece of an effective monitoring period. A feedback loop should occur during the monitoring period to allow for emerging findings to inform potential refinements to the ICS. 4. The monitoring period should be effectively and centrally administered. The assessment of "other methods" to an ICS should be done in a transparent manner and be subject to consultation with stakeholders. It should include principles for assessing comparability and include GAAP Plus, internal models, national discretions, and the Aggregation Method. The ICS should not be advanced in the absence of a vote at the end of the monitoring period that the final ICS is fit for purpose. 5. Confidentiality of individual groups' data and results should be ensured. 6. The ICS should not automatically be inserted into supervisory colleges. During the monitoring period, the ICS will continue to be calculated on a basis that is approximate and unaudited, and that lacks formal controls. Companies will not be managing to their ICS ratios because they will not be legally required to do so. Consequently, there is a risk that supervisors could draw misleading and inappropriate conclusions from ICS results during the monitoring period. The IAIS and supervisors should also not create any expectations that the monitoring period results will lead to any real world supervisory outcomes.
375. Association of British Insurers	United Kingdom	No	This requirement is too prescriptive, particularly for capital standards that are in development as mentioned in the first bullet. The ABI proposes that this should be a more pragmatic and proportionate request for a comparison against other capital standards.
376. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
377. Prudential Financial, Inc.	United States of America	No	We believe the "additional reporting" reference within the standard should be clarified by rewording the standard as follows - "The assessment of the reference ICS and, if applicable, any alternative methods to an ICS should include:"

Q65 Comment on ComFrame Guidance CF25.6.c.2			
378. American Council of Life Insurers	Office of General Counsel	No	<p>We believe that any guidance within ComFrame on the "reference ICS" is premature.</p> <p>The ICS 2.0 contains several unresolved issues and apparent placeholders—areas that need further assessment and policy evaluation. Given the number of unresolved issues and the inclusion of several new, untested items in the ICS, ideally the IAIS would consider delaying adoption until supervisors have had time to resolve the outstanding issues and thoroughly test new items. We recognize, however, that many IAIS supervisors consider themselves committed to adopting ICS 2.0. That is why we urge adding this sentence: "In the absence of any legal requirement applicable to the Head of the Group, the group-wide supervisor will discuss such reporting with the Head of the Group."</p> <p>We believe that this guidance should be deleted from ComFrame and further refined into a formal process for evaluating and improving the ICS. We welcome the recommendation for a framework for the ICS monitoring period in the consultation document. We offer these suggestions to make it more effective:</p> <ol style="list-style-type: none"> 1. An oversight committee should be created. The "policy process" should not be dismantled and dispersed. 2. Impact assessments should be performed. Before concluding that the ICS is suitable for jurisdictional implementation, the IAIS should assess the potential impact of the ICS on local insurance markets and on insurance groups. 3. A feedback loop for both supervisor and industry input should be established. We believe that robust supervisor and industry engagement and feedback is a center-piece of an effective monitoring period. A feedback loop should occur during the monitoring period to allow for emerging findings to inform potential refinements to the ICS. 4. The monitoring period should be effectively and centrally administered. The assessment of "other methods" to an ICS should be done in a transparent manner and be subject to consultation with stakeholders. It should include principles for assessing comparability and include GAAP Plus, internal models, national discretions, and the Aggregation Method. The ICS should not be advanced in the absence of a vote at the end of the monitoring period that the final ICS is fit for purpose. 5. Confidentiality of individual groups' data and results should be ensured. 6. The ICS should not automatically be inserted into supervisory colleges. During the monitoring period, the ICS will continue to be calculated on a basis that is approximate and unaudited, and that lacks formal controls. Companies will not be managing to their ICS ratios because they will not be legally required to do so. Consequently, there is a risk that supervisors could draw misleading and inappropriate conclusions from ICS results during the monitoring period. The IAIS

			and supervisors should also not create any expectations that the monitoring period results will lead to any real world supervisory outcomes.
380. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
381. Prudential Financial, Inc.	United States of America	No	We believe the "additional reporting" reference within the standard should be clarified by rewording the standard as follows - "The purpose of the supervisory college discussing and assessing the summary of the reference ICS, and of any alternative methods to an ICS that have been reported, is to help refine the ICS."
Q66 Comment on ComFrame Standard CF25.7.a			
382. Assuris	Canada	No	Assuris supports the establishment of a CMG for IAIGs to ensure the preparedness for and facilitating the recovery and resolution of the IAIG. The CMG would best be able to ensure recovery and resolution are carried out efficiently.
383. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
384. Global Federation of Insurance Associations	Global	No	It should be noted in this ComFrame section that a CMG should also consult with the IAIG, and that a policyholder protection scheme should be considered by a CMG in its analysis and deliberations.
385. International Forum of Insurance Guarantee Schemes	Global	No	Crisis management groups should include or consult with the appropriate PPSs so that the CMGs can fulfill their responsibilities under CF 12.3.a.2 (development of resolution plans, including actions to protect policyholders) and CF 12.3.b (participate in resolvability assessments to evaluate the feasibility and credibility of resolution strategies, in light of the possible impact of IAIG's failure on policyholders). Without PPS involvement, CMGs will be operating at a significant disadvantage and will have difficulty achieving their intended purpose.
386. American Council of Life Insurers	Office of General Counsel	No	It should be noted in this ComFrame section that a CMG should also consult with the IAIG, and that a policyholder protection scheme can help support a CMG's efforts.
388. National Organization of	United States	No	Crisis management groups should include or consult with IGSs so that the CMGs can fulfill their responsibilities under CF 12.3.a.2 (development of resolution plans, including actions to protect policyholders) and CF 12.3.b (participate in

Life and Health InsuranceGuarantyAssociations(NOLHGA) and the National Conference of InsuranceGuarantyFunds (NCIGF)			resolvability assessments to evaluate the feasibility and credibility of resolution strategies, in light of the possible impact of IAIG's failure on policyholders). Without IGS involvement, CMGs will be operating at a significant disadvantage and will have difficulty achieving their intended purpose.
389. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q67 Comment on ComFrame Guidance CF25.7.a.1			
390. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
392. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q68 Comment on ComFrame Guidance CF25.7.a.2			
393. Assuris	Canada	No	Assuris strongly recommends the PPS be included as a relevant authority in the resolution of an insurer by being part of the IAIG CMG. A PPS can be a source of expertise and has experience that may provide advice and financial assistance in the resolution of an insurer. Cooperation and coordination with a PPS is necessary when it provides support for the transfer of businesses. Involving a PPS earlier in the recovery stage can ensure the PPS is prepared to provide financial assistance if resolution actions are needed for the insurer.
394. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.

396. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q69 Comment on ComFrame Guidance CF25.7.a.3			
397. Insurance Europe	Europe	No	Insurance Europe welcomes the proposed revisions.
398. General Insurance Association of Japan	Japan	No	Even when a supervisory college substitutes a CMG, with regard to financially sound IAIGs, it is not necessary to discuss Recovery and Resolution Plans as a priority. Facilitation of preparedness for recovery and resolution should be discussed under a specified condition when concerns on the financial soundness of an IAIG arise, for example, when an IAIG's ICS Ratio falls below a certain level, or difficulties identified in the ORSA process, etc.
400. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q70 Comment on ComFrame Guidance CF25.7.a.4			
401. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
402. General Insurance Association of Japan	Japan	No	With regard to recovery plan which the IAIS CMG are required to review, it is far from appropriate to require a recovery plan for all IAIGs in a uniform manner. Given the principle of proportionality, the requirements on a recovery plan for an IAIG should be decided in proportion to its ICS Ratio, difficulties as may be identified in the ORSA process, etc. Where a recovery plan is required for those IAIGs which demonstrate sound financial conditions and no sign or imminent risk of deterioration, a relatively simple plan should suffice as opposed to those IAIGs which come short of the qualities mentioned above. For example, it is reasonable when an insurer is in a sound condition required developing only an outline and when the insurer is considered financial damaged condition required a detailed plan.
404. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q71 Comment on ComFrame Standard CF25.7.b			

405. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
407. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q72 Comment on ComFrame Guidance CF25.7.b.1			
408. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
410. Cincinnati Insurance Company	United States of America	No	See answer to Q1.
Q73 Comment on ComFrame Guidance CF25.7.b.2			
411. Insurance Europe	Europe	No	Insurance Europe supports the proposed revisions.
413. Cincinnati Insurance Company	United States of America	No	See answer to Q1.