



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Public

Compiled Comments on

Draft IAIS Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
General comments				
World Federation of Insurance Intermediaries	Int'l	No	WFII regrets very much the proposal of the IAIS to change the current procedures for stakeholder consultation. By eliminating the possibility to follow closely the drafting work during the drafting process, as is proposed now, we fear that our input as experts in the field of intermediary issues, will be less efficient and effective. WFII calls on the IAIS to recognize that its role as an international standard setting organisation requires it to operate truly openly and transparently. We therefore believe that all meetings should be open to any interested party unless there is a compelling, objective, specifically articulated reason for closing a particular session. As a general rule, IAIS committee and working group meetings should be conducted in an open and public manner and interested parties should have the ability to hear discussion, deliberations and decisions associated with the development of IAIS supervisory and supporting material. WFII respects the desire of IAIS to be able, when necessary, to discuss issues behind closed doors - and we do not believe that IAIS should allow stakeholders to formally participate in or offer public comments at all IAIS meetings - but this is not a rationale or defense for the closing of meetings. The ability of interested parties to attend and observe IAIS meetings allows them to remain aware and informed. WFII also believes that the industry and their federations as recognized sector representatives need to be engaged early and continuously in the drafting process of supervisory and supporting material in order to identify areas of unintended consequences for consumers and industry. These effects or consequences are not always apparent when discussions take place without marketplace knowledge/insight. Emerging trends and challenges are first identified in the marketplace. Early involvement of the industry and sector federations also allows for relevance of public policy discussions and aims. Early and continuous involvement in the drafting process also ensures that conceptually there is mutual understanding between regulators and practitioners of what the policy is trying to achieve and the best way of achieving the goal. Understanding by the industry of the evolution of the policies will facilitate implementation at national level, through advocacy, mutual understanding and political will. We fear that discussion and development of supervisory material without the opportunity for continuous public observation will create mistrust and suspicion about the decisions of the IAIS, and that any supervisory material adopted in this manner will lack the standing and integrity that it would otherwise possess.	See memo that accompanied draft procedures for background and reasons for proposed shift from Observer status The procedures allow early engagement of stakeholders as appropriate – see text after Section V.B.xi The procedures allow early and ongoing involvement of stakeholders as appropriate – see same Section

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			Furthermore, we believe that there will be a negative effect on the willingness of a particular IAIS-drafting team to make important changes in a draft paper if there is only a public consultation at a time the paper has reached already its final stage. And, accordingly, when policy has been formulated, edited and is near completion before stakeholders are aware of them, their reaction could be overly negative. We therefore urge the IAIS, in order to ensure that it operates in a truly open and transparent manner and that consultations are as effective and predictable as possible, to extend the multiple stages of public consultation and to open all meetings to any interested party. The industry and the federations which are recognised representatives of their sector should continue to be able to follow closely and comment on the work of the drafting teams by having access to the subsequent drafts (and thus not only the draft in its final stage) and by having the ability to hear discussion, deliberations, and decisions associated with the development of IAIS supervisory and supporting material. According to the proposal, one of the multiple stages in the public consultation of supervisory material is a public background session. We believe that this background session should not only be organised upon or prior to the launch of the public consultation but should in any case also be organised at the start and several times during the drafting process. The background sessions, in combination with the presentation of the subsequent drafts online and the ability to hear discussions, deliberations and decisions associated with the development of IAIS supervisory and supporting material, will guarantee the quality and the effectiveness of the stakeholder input. When needed, the IAIS proposes to conduct public dialogues and/or hearings. We believe that in any case several dialogues or hearings should be organised, one at the start of an issue, several during the drafting process -which could take several months- and one before the first consultation. Participation in these hearings should be open to the industry and to recognised sector federations and should not be on invitation. The reorganisation proposal of the IAIS foresees in a consultation period of at least 60 days for the consultation of supervisory material and at least 30 days for the consultation of supporting material. We believe that, considering the international context, this consultation period is too short and it should be in both cases at least 60 days. Stakeholders are confronted with extensive supervisory or supporting material which has reached already its final drafting stage. Studying these often extensive material and consulting the stakeholders' members is impossible in a period of 30 days. In order to be able to deliver the best possible input any consultation period should therefore be extended to at least 60 days. The timeline of 14 calendar days of notice for conference calls is also too short. In order to prepare these	The procedures allow drafting teams to consult stakeholders as appropriate – see same Section The procedures allow for additional public sessions as appropriate – see same Section All public dialogues will be open to any interested stakeholders and not limited by invitation The 30 and 60 day terms are the minimum required and can be longer as necessary and if time allows. Adequate notice is important

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			calls, studying and consulting the stakeholders' members is necessary and this takes time. A 30 calendar days of notice seems to us to be at least the minimum.	but needs to be practical. 14 days would be the minimum allowed but can be longer as necessary and if time allows.
Association of Bermuda Insurers and Reinsurers	Ber.	No	We recognize that the international role of the IAIS has substantially escalated in recent years by an increased mandate from the Financial Stability Board and G20 member nations, and manifest especially through the development of a Basic Capital Requirement (BCR) and Insurance Capital Standard (ICS). As the IAIS appreciates, these demands have so far been successfully negotiated and supported by careful, transparent processes that encourage observer participation. We appreciate the periodic attention paid to reviewing these processes in light of the fast developing environment. We support a transparent consultation process inclusive of notification, consultation and participation that can be practically accessed and practiced by all stakeholders. We think of stakeholder as: any regulated entity or other public party. The creation of a single-tiered stakeholder group by the proposed elimination of observer fees may on the face of the proposal seem fair. However, it strikes us that this is a logical moment to broaden rather than diminish stakeholder participation in the IAIS.	Stakeholder is defined in the broadest sense possible to include any person or entity interested in insurance supervision and regulation
Association of Mutual Insurers and Insurance Cooperatives	EU	No	AMICE is the Association of Mutual Insurers and Insurance Cooperatives in Europe. With than 110 direct members and representing 1,000 more insurers indirectly, AMICE speaks for a significant part of the insurance sector. The mutual and cooperative sector accounts for more than half of the 6,000 insurance companies in Europe and close to 28% of premiums. We welcome the opportunity to comment on this draft document - this commitment by the IAIS to transparency and openness is a positive sign for us that your organisation is indeed and will remain committed to inviting constructive input from stakeholders. AMICE has for the past years been an observer to the IAIS - one of its smallest and, not only in relation to this, one of the more active ones. In addition to our direct involvement, we are members of GFIA, have contributed to their consultation response and endorse their comments. Without supplicating them we herewith submit a few additional comments from our side. It is evident that the IAIS sees the need to make changes to its structures and processes, including the status of external stakeholders (observers) and their involvement in the policymaking process. we note the efforts and welcome the commitment to enhance the efficiency and effectiveness of IAIS activities and decision-making processes. After all, many AMICE members contribute (indirectly, through the financing arrangements for their national supervisors) to the financing of the IAIS. Having said this, we wonder,	See memo that accompanied draft procedures for background and reasons for proposed shift from Observer status

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			however, why the abolition of observer status is being seen as an important step towards securing efficiency and effectiveness. We believe that in a clearly and transparently governed policymaking structure neither the independence nor the efficiency of the IAIS is compromised by the existence and involvement of observers. We note that the IAIS broadens its definition of the stakeholder community from a restricted observer community (with an entry threshold in the form of the observers fee) to a broad definition, called "the public". With a view towards the feasibility of the planned interaction with "the public" (by electronic means), the IAIS may still considered structuring (in a very transparent way) the stakeholder community in certain sections (insurance/intermediaries/professionals associations, insurance/intermediary/professional undertakings and individuals, service providers, consumer associations, academic, consumers, ...). A (low-threshold) registration requirement (including a description of the background of the interest of the stakeholder) could also help the IAIS in devising reliable contacts lists (for "pushing" information).	Under discussion is plan to allow stakeholders to register interest for certain topics or groups ("contact lists")
Gesamtverband der Deutschen Versicherungswirtschaft	Ger.	No	The German Insurance Association (GDV) welcomes the opportunity to comment on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders. The active involvement of Observers in the standard setting process of the IAIS has significantly contributed to the mission of the IAIS. Maintaining an open and constructive dialogue between members and Observers has helped to develop supervisory standards and best practices which ensure a high degree of convergence of insurance supervision on a global level. As a result, the IAIS has also underpinned its acceptance among policymakers from different sectors for capably representing the insurance perspective in the global regulatory debate. We understand that this consultation is a follow-up on the IAIS' efforts to enhance the association's efficiency launched in 2013 and outlines its goals in terms of restructuring the process to receive and assimilate the input of stakeholders. Unfortunately, when analyzing the envisaged process in detail, we see some of our major concerns raised in November 2013 confirmed. This conclusion is particularly related to the following aspects: ? Restricted access to Committee-/Working Group-meetings Under the proposed procedures and policies, non-members would be no longer permitted to participate in meetings at the working level of the IAIS bodies on a regular basis. Instead, it will be in the Chair's	The procedures allow early engagement of stakeholders

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			capacity whether and, if so, which stakeholders are allowed to take part in meetings. This is not in line with the requirements of a due and transparent process and gives rise to the concern that stakeholder's input will only be permitted on a selective and arbitrary basis. It is very important that a representative industry perspective is taken into account early on before goals and strategies are determined and regulatory initiatives are launched. Experience has shown that once a project has already emerged in a draft, it is very difficult to introduce the stakeholders' views. Therefore, we are afraid that neither public background notes at the beginning of a project nor subsequent public sessions and hearings after approval of supervisory material will contribute to enhanced efficiency. In contrast, this concept is more prone to neglect stakeholders' views and end up in standards which lack the necessary balance between regulatory and industry perspectives. ? Status of Observers We are surprised to see that the role of Observers is not explicitly mentioned in the draft procedures and policies. This would confirm the notion that the IAIS apparently intends to entirely discontinue the Observer status as of 1 January 2015. We strongly oppose such considerations. Article 7 of the IAIS' by-laws attributes a particular status to Observers. Once approved, the cancellation of this status is contingent upon the conditions laid down in Article 9 paragraph 6. Apart from the legal implications and the unclear consequences in terms of funding, we are afraid that the denial of Observers would be detrimental for the future work of the IAIS since the acceptance and credibility of the supervisory material generated so far also arise to a considerable degree from the constructive interaction with Observers. After all, not least given the tremendous challenges ahead, we are convinced that the established dialogue between regulators and industry representatives needs to be fostered rather than to be decreased. Therefore, we urge the IAIS to reconsider the draft procedures and policies to ensure that the future outcomes continue to contribute to a good and balanced regulated insurance sector.	as appropriate – see text after Section V.B.xi Upon a recommendation of the Executive Committee, the General Meeting approved amendments to the By-Laws to discontinue Observer status as of 1 January 2015
Munich Re Group	Ger.	No	We take note of the proposed "IAIS Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders" and appreciate the possibility to provide comments. We generally support the views as expressed by (re-) insurance trade associations. As the IAIS has evolved as an important player in the rulemaking process it is important that comments from stakeholders directly or indirectly affected such as (re-)insurers are heard and their comments are taken into account as appropriate. This requires sufficient time for the preparation of the comments and	

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			also a clear objective as regards the input requested. In the past we have closely followed the IAIS activities and provided meaningful input to a number of important IAIS initiatives such as, for example, mutual recognition and MMoUs. We trust that, in the future, the IAIS continues to benefit from our experience and expertise and those of other (re-)insurers. This is particularly important against the background of an "age of regulation" with large parts of the regulatory net not being coordinated. We recommend to continue a regular and close exchange between regulators and observers that is the basis for developing an efficient and effective supervisory system. At the same time we acknowledge the need to be more flexible and invite experts on a case-by-case decision depending on the subject matter in question.	
AIA Company Ltd	Hong Kong	No	We, AIA Company Limited, The Dai-ichi Insurance Company Limited and PingAn Insurance (Group) Company of China, Ltd. appreciate the opportunity to comment on the draft Policy for Consultation of Stakeholders. We understand that the IAIS has taken on additional responsibilities over the last several years and recognise the goal of increasing the effectiveness of the work of the IAIS, however we consider that this should not be at the expense of compromising the process of dialogue and consideration of proposals that have potentially material consequences when applied globally. That said, we share the view that the proposed discontinuation of Observer status as of 1 January 2015 may lead to unintended consequences. We understand that the IAIS may proceed to discontinue the Observer status, however if that is the case, we consider it critical that the aspects outlined below that are currently enhanced through the existence of Observer status can be addressed in a different and preferably even better way. One of the key objectives of our organisations joining and maintaining our respective status as IAIS Observers is to understand the work of the IAIS and to provide input to the IAIS so that it supports strong, efficient regulation which develops sound insurance markets globally. Therefore, we suggest that to avoid unintended consequences that are contrary to this objective, there also be procedures and requirements of the IAIS that are formally incorporated to ensure transparency and access by any individual or group, with active consultation and participation provided for, except in specific circumstances when there may be highly confidential or sensitive information that may necessitate the closure of meetings. Such meetings should however in our view be documented and a written record agreed by all participants for subsequent release at a suitable later date.	The procedures being discussed will be formally adopted by the Executive Committee for application throughout the Association

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			In terms of regulation, we see that Asian supervisors are generally reforming their local requirements to better reflect global developments particularly in regards to risk-based capital frameworks, greater reliance on an insurer's own assessment of risks, demonstrable robust governance processes, and accountability of Boards and senior executive management. A significant influence on these reforms derives from a desire by regulators to adhere to IAIS standards such as the IAIS Insurance Core Principles, ComFrame and systemic risk developments. However, it is not clear under the proposals that stakeholder participation in respect of international developments promulgated by the IAIS would include specifically Asian insurers given the unique and varied markets in Asia, which often have characteristics and environments quite different from those in the mature markets of Europe and North America. Standards that originate from the IAIS should not in our view be developed in isolation from the practical realities of the markets in Asia as these standards will need to be implemented through local law and regulation. Unlike North America and Europe, the insurance markets of Asia tend to be more diverse in their development and market environment, particularly in respect of investment markets, political and social circumstances and their broad approach to regulation. Practically, the IAIS is based in Switzerland which gives rise to logistic issues for Asian insurers to participate fully in consultations with the IAIS. With no formal Observer status mechanism, we do not see how it can be assured that input from Asian insurers would be received by the IAIS. For example, it is not clear that public sessions would be scheduled so as they would be available to Asian insurers nor how Asian insurers could participate in Committee/Subcommittee meetings in a meaningful way if there were no formal mechanisms for notification of such meetings and if necessary, in-person meetings with supervisors. Whilst written documents, information and submissions can be provided, without the opportunity to fully appreciate the context, understanding and views of others through active face to face contributions and dialogue, we are very concerned that the proceedings will be dominated by European participants. We believe that this topic deserves further dialogue with the industry so that stakeholder participation from Asia can be recognised and proceedings and meetings organised in a way that encourages active participation from Asia. Please take the above comments into consideration; we welcome continued discussion and dialogue on the draft procedures. AIA Group Limited and its subsidiaries comprise the largest independent publicly listed pan-Asian life	The IAIS is committed to ensuring broad regional engagement with Members and stakeholders The procedures require advance notice of all public sessions and opportunities for input and the IAIS will take time zones into account when planning sessions so that attendance can be as broad as possible (e.g. by scheduling two sessions at different times)

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			insurance group. It has operations in 17 markets in Asia-Pacific - wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, a 97 per cent subsidiary in Sri Lanka, a 26 per cent joint venture in India and a representative office in Myanmar. The Dai-ichi life insurance company Limited is the second largest life insurance company with approximately 8 million policyholders in Japan, as measured by total assets and annualized net premiums from policies in force as of March 31, 2014. It has been actively expanding its overseas operations in recent years, particularly in the Asia Pacific region, and currently it has 100 per cent subsidiaries in Vietnam and Australia, and invested in affiliate companies in Indonesia, India and Thailand. Ping An Insurance (Group) Company of China, Ltd. is the first insurance company in China to adopt a shareholding structure. Today, it has developed into a personal integrated financial services group with three core businesses of insurance, banking and investment, enjoying parallel growth of its traditional and non-traditional financial businesses. The Group's shares are listed on the Hong Kong Stock and on the Shanghai Stock Exchanges.	
Institute of International Finance - IIF	Int'l	No	The IIF would like to thank the IAIS for the opportunity to provide comments on the IAIS Draft Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation with Stakeholders. These comments have been produced under the guidance of the IIF's Insurance Working Group. The IIF and its insurance members value the opportunity to provide industry input to the various standard-setting exercises of the IAIS, including the designation of G-SIIs, the development of ComFrame as well as global insurance capital requirements. To this end, we welcome the overall IAIS initiative of establishing more efficient and transparent procedures to better incorporate stakeholder comments. Given the complexity of the above mentioned insurance standard-setting issues, and their potential impact on the industry, we believe direct dialogue with stakeholders is essential. We appreciate the IAIS's willingness to engage in that dialogue, and hope that the IAIS will continue to do so in future consultations as well as other exercises. While we are supportive of the overall goals of efficiency and transparency that are driving this initiative, we would like to underscore the need to fully debate changes in the procedures for consultation and engagement with external stakeholders. After reviewing the proposals, we are concerned about the potential substantial reduction in opportunities and channels for engagement in the proposed new draft	

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			procedures. We feel it is essential to organize in-person meetings as the default mode of engagement, with the possibility of a conference call. As currently proposed, the conference call is presented as the default mode of engagement, which in our view, is not necessarily conducive to proper dialogue. While we recognize that in-person meetings may not always be feasible for practical reasons, we believe there is still value in establishing in-person meetings as the preferred mode of engagement with stakeholders. In addition, we would like to note that the industry has always valued the opportunity to attend and participate in the IAIS Annual Conferences, which have been excellent fora for industry, supervisors, and policy makers to discuss emerging issues and trends related to markets and supervision. Thus, we would encourage the IAIS to continue a similar kind of engagement. Similarly, we are concerned about the elimination of stakeholders' participation in Committee and Subcommittee meetings. While the possibility of inviting guests on special occasions is proposed, the criteria used to determine which guests will be invited remain unclear. Therefore, we would recommend the establishment of inclusive criteria that allow for the effective participation of stakeholders in Committee meetings, unless reasons of necessary confidentiality exist. In addition, we would like to request that the IAIS consider extending the timeframe of this revision of the procedure into 2015 to allow for sufficient deliberation on these issues and a comparison with other global models of supervisory practice . As it stands now, if the goal is to complete this revision by the time of the Amsterdam General Meeting in October, we would consider such a timeline too short and overly ambitious. Given that the IAIS is currently undertaking its most significant projects (BCR, HLA, ComFrame and the ICS), we believe it is critical that an adequate and robust framework be developed and become operational at the right time. We would welcome more clarity on the use of supervisory and supporting materials, which would help avoid ambiguity in both standard-setting and implementation processes. Moreover, we would like for such materials to be more comprehensive in scope. Specifically, they should include a cost-benefit analysis, consideration of principles of good regulation, and potential legislative and economic impact on local regimes. We would also like to point that there are several instances in the consultation where vague wording such as "all relevant stakeholders" or "qualified experts" is used, leaving much open to interpretation. Concrete details should be provided to avoid confusion and ensure a clear understanding of the proposed procedures.	See amendments to criteria on inviting guests Wording is meant to be as broad as possible and not restrict ability of participation

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The General Insurance Association of Japan	Japan	No	We, the General Insurance Association of Japan sincerely appreciate that the IAIS has provided us with the opportunity to express our opinions on Draft Procedures and Policy. In Japan, not only us but also a number of non-life insurance companies have been IAIS Observers, working together with the IAIS to develop international standards in insurance supervision and regulation. This meaningful system allows us to obtain information regarding the latest developments on your regulatory discussions and to participate in dialogues between supervisors and the private sector. We expect that the IAIS will firmly maintain its approach to facilitate dialogue with the industry, after the (possible) discontinuation of Observer status as of January 2015. We look forward to continuing to actively and constructively participate in your discussions. We also appreciate the IAIS has given consideration, to a certain extent, to give stakeholders opportunities to receive information and to provide input on its activities at multiple stages. Global seminars, which are held along with Committee Meetings, and Annual Conference programs to exchange opinions between supervisors and the industry, have been really important occasions for IAIS-stakeholder communication. Therefore, we strongly hope that the IAIS will ensure similar opportunities in addition to the opportunities prescribed in the consultation paper, in the future. What is especially important is to ensure steady implementation of the commitment to provide opportunities to communicate with stakeholders, as specified in the consultation paper. We hope the IAIS will implement the commitment not only at the initial stage of the new system, but also continuously into the future. In particular, we would like to ask the IAIS to achieve the following 3 points: _Timely provision of detailed minutes of Committee Meetings and WG/TF. _Sufficient explanations of projects through the provision of public background notes, teleconferencing, etc. in advance of the consultation. _Announcement of the theme, objectives, reasons, etc. of a consultation at least two weeks in advance of the public sessions. Time differences and the difficulty of clearly understanding what is being said over the phone could become barriers when participating in teleconferences especially for non-native English speakers. Therefore, we would like to ask the IAIS to give consideration to the time of teleconference, to hold face-to-face meetings to the extent possible, and to provide as many detailed materials as possible in advance of meetings.	Agreed – see comment above

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Association of British Insurers (ABI)	UK	No	The Association of British Insurers The ABI The ABI is the voice of insurance in the UK, representing the general insurance, protection, investment and long-term savings industry. It was formed in 1985 to represent the whole of the industry and today has over 300 members, accounting for some 90% of premiums in the UK. General comments - We agree with the IAIS that its role as a global-standard setter has significantly expanded and a review of its procedures and stakeholder engagement model is timely. - It is important the IAIS is effective, transparent and responsive. IAIS engages in projects that will have considerable impact on insurance industry and policyholders and it is important the IAIS has a robust and transparent policy development framework. - The proposed changes will bring the IAIS in line with other global standard-setters for financial industries. - We welcome the acknowledgement that Observers and other interested stakeholder have contributed greatly to IAIS work. - We also welcome the proposals' balance between a clear and standardised process and flexibility for further engagement. We hope the IAIS will not shy away from holding constructive dialogues with stakeholders beyond the minimum levels of engagement it has set for itself. We also note that: - The IAIS identifies implementation as one of the three categories of activity that it undertakes in furtherance of its mission. - In this context, ensuring the IAIS' standard-setting workstreams enjoy a clear political mandate in the jurisdictions they will need to be implemented would provide a degree of accountability and increase the likelihood of consistent implementation. - We would also welcome further transparency in relation to the IAIS' interaction with other global standard-setting bodies. For example, areas of responsibility need to be clearly defined to ensure there is	

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			no overlap in subjects such as resolution.	
Joint Comments of AIA, ABIR, NAMIC, PCI & RAA	USA	No	The parties filing these joint comments are the American Insurance Association, Association of Bermuda Insurers and Reinsurers, National Association of Mutual Insurance Companies, Property Casualty Insurers Association of America and the Reinsurance Association of America. They have long supported and participated in the work of the International Association of Insurance Supervisors (IAIS). We appreciate the opportunity to comment on the proposed changes to IAIS procedures, and hope that this is the beginning of a productive dialogue that will lead to improved policies for all involved with the IAIS. While these organizations may also be submitting our own comments on the proposed IAIS procedures, we wanted to jointly emphasize some fundamentally important themes. Changes in IAIS Funding Need Not and Should Not Lead to Less Transparency. We understand that changes to how IAIS is funded are coming, including the identification of sources to substitute for the fees currently paid by observers. The funding of IAIS is primarily a matter for it to determine. Regardless of how the IAIS chooses to fund its activities, the IAIS should encourage meaningful participation by all stakeholders. Otherwise, the proposal contradicts itself and contrary to its intent actually results in less meaningful participation. While we understand the intent behind the IAIS's change in policy to no longer accept fees from interested parties, it should not do so in a manner that reduces the opportunities for stakeholders to participate in the IAIS. The Increasing Importance of IAIS Demands More, Not Less Transparency. Throughout the financial crisis, insurance regulation performed very well compared to the regulation of other financial sectors whose processes were far less transparent than those of the IAIS. In our view, the deliberate, open approach previously followed by IAIS has produced far better results for the public when compared to financial sector regulation with less transparent processes. The growing importance of IAIS and the need for "efficiency" do not justify less transparency. As IAIS works on issues such as capital standards, governance and market conduct issues, the meaningful input of all interested parties is needed more than ever. Without the ability for interested parties to meaningfully participate in IAIS process, the IAIS will lack the credibility it needs to fulfill its mission globally. While transparency could be seen as inefficient by some, we respectfully submit that efficiency is not the main objective of prudent insurance regulation. The protection of policy holders and the enabling of robust insurance markets should guide your actions. Greater transparency and meaningful participation will actually shorten the time for the adoption and implementation of global standards by regulators once adopted by IAIS and, more importantly, will give those standards global credibility. This is because	The new procedures are intended to increase transparency through greater structure and inclusion of any interested stakeholder

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			interested parties will play a key role in whether and how international standards are implemented locally, will have participated in the process, will understand the background, options and issues and will have played a role in shaping the final product. Many IAIS members participate in the Organization for Economic Cooperation and Development (OECD). In the Background Document on Public Consultation, the OECD sets forth the benefits of public consultation, which include: bringing in the expertise of those directly affected, helping regulators to balance opposing views, identifying unintended negative consequences and practical problems, providing a quality check on cost/benefit analyses and identifying the interactions between regulations of various parts of government. The General Rule Should Be that All Meetings Are Open with Very Limited Exceptions. The proposed procedures establish a general rule that meetings are closed, subject to the chairperson's discretion. This injects too much individual discretion into the consultation process which will inevitably lead to uneven and perhaps biased outcomes. To maintain the credibility of the IAIS as it adopts and implements standards, including the ICPs, meetings should be open unless there are specific enumerated reasons for closing them, such as personnel or company-specific discussions. The combination of closed meetings and the ability to admit selected "guests" will create the appearance of impropriety and undue influence, even if such is not the case, thereby undercutting the credibility of IAIS when it strives for more, not less credibility. Further, selective inclusion increases the potential for faulty supervisory outcomes, because hearing from only selected portions of the industry may unintentionally create unworkable policies for many market players or unlevelled playing fields with potentially disastrous results. And, the best way to determine interest in any meeting, and receive the benefits of interested party participation, is for the parties to determine by their decisions to participate, not by the meeting organizers speculating who might be interested and inviting some as "guests". IAIS Documents Should Receive More, Not Less Interested Party Input Throughout the Development Process. The proposed procedures call for openness at the beginning and at the end of work streams. However, we submit that this creates an inefficient process that will result in the development of standards that lack credibility. At the beginning of the process, details may not be known to all participants making it difficult for meaningful input. Conversely, the consideration of public comments at the end of the process will inevitably be disregarded particularly if those comments challenge key assumptions or other fundamental elements of the policy making process. Our experience is that openness throughout the policy making process improves those policies and increases support for their implementation.	See amendments to section on invitation of guests The procedures allow ongoing engagement of stakeholders as appropriate – see text after Section V.B.xi.

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			The Timeframes for Commenting Generally and the Comment Period on these Proposed Procedures Are Too Short for Interested Parties and Supervisors. The proposed comment period length may be inadequate for stakeholders to provide the quality comments, and data to support the comments, which IAIS needs to adopt the best standards and other products. This may especially be the case for small or non-English speaking interested parties and members. And, IAIS members attempting to evaluate the consultation drafts need more time to conduct a legal and impact analysis before providing positions on these important issues. In addition, IAIS members should be given more time than this consultation allows to review these proposed procedures in the context of their local open meetings laws. Otherwise, they may be exposed to serious criticism or even legal challenges originating from their home jurisdictions.	See prior response
NAIC Consumer Representatives	USA	No	The Center for Economic Justice (CEJ) is a non-profit, consumer advocacy organization. CEJ's has individual and organizational members who support CEJ's mission to promote the availability and affordability of essential services to low-income and minority consumers, including credit, insurance and utility services. CEJ's work is guided by a Board of Directors. CEJ was founded in 1995 and our work has focused on advocacy before administrative agencies, including U.S. state insurance department and federal financial regulatory agencies. The bulk of our work has been on insurance-related issues and over the past 20 years, CEJ has appeared before numerous U.S. state insurance departments, the NAIC, federal agencies, state legislatures, Congress and a variety of industry trade and professional organizations. CEJ has challenged the approval of products and rates by state insurance regulators and has, in many instances, changed the outcome in favor of insurance consumers. Through Birny Birnbaum, CEJ has been a designated consumer representative at the NAIC, a member of the U.S. Federal Advisory Committee on Insurance and a consumer observer at the IAIS. Mr. Birnbaum has experience as an insurance regulator as Associate Commissioner for Policy and Research at the Texas Department of Insurance and as the Chief Economist of a formal state insurance consumer advocacy agency, the Texas Office of Public Insurance Counsel. This experience over the past 23 years has informed CEJ's views about public participation in regulatory processes and the ability of consumers to participate in and impact regulatory proceedings. Our work over the years has revealed that industry interests have virtually unlimited resources to participate in regulatory proceedings and that these resources necessary for industry participation come from policyholder-supplied funds. Insurers, producers and their trade associations are able to pool amounts from millions of individual consumers to finance the industry regulatory advocacy. In contrast, consumers generally do not have such mechanisms to easily pool resources. For example, few, if any, jurisdictions require a notice with periodic insurance billing statements for consumers to donate funds to	

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			an insurance consumer advocacy organization. The IAIS should be aware of the disparity between industry resources to participate and consumer resources to participate in regulatory proceedings given the history of the IAIS's funding from industry Observer fees. Until the waiving of fees for designated IAIS consumer observers, no consumer or consumer organization paid the fee to be an IAIS Observer. Our work over the years has also revealed the bias of financial regulators towards prudential regulation issues over market regulation issues. This bias is not only reflected in the disproportionate time and resources devoted to prudential regulation versus market regulation and consumer protection, but also in the limited action by supervisors to seek out consumer views on regulatory issues. Simply stated, many insurance supervisors view their role primarily as ensuring insuring solvency and believe that consumers have little expertise to offer on these prudential regulatory issues. We submit that were consumer interests as fully involved in regulatory proceedings as industry interests, supervisors would spend more time and resources on market regulation and consumer protection issues and better understand that effective consumer protection is as essential to financial stability as capital standards. We present this background on CEJ to frame our comments on the Draft IAIS Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders. We summarize our major comments as follows: 1. We applaud the IAIS proposal to stop "pay-to-play" and allow any interested party to follow and participate in the activities of the IAIS. However, meaningful participation by consumers of insurance in IAIS processes requires the establishment of a formal IAIS consumer participation program reflecting a commitment to obtain consumer input and with funding for expense reimbursement necessary for consumer organizations to participate. We note the irony of a request for comment on public participation procedures with a note on page 1 limiting the information to Members and Observers. 2. The Glossary of Terms should have a definition of Stakeholder to ensure that all IAIS members have a common understanding of the term. Stakeholder should be broadly defined as any person or entity potentially affected by the activities of the IAIS. 3. Annual training in public participation procedures should be required for Committee, Subcommittee, Working Group and Task Force leadership with emphasis on the need for and methods of consumer involvement. 4. The proposal for discretion by the Chair of a Committee or Subcommittee to invite guests based on "exercise [of] his or her discretion in an objective and a transparent manner" is a contradiction. Such discretion, by definition, cannot be transparent. The decision to invite guests should be broaden beyond the Chair to members of the Committee or Subcommittee and guidance should be provided that such invitations actually include a variety of perspectives, including consumer interests. 5. As pointed out the NAIC comments, the default position should be that Committee and Subcommittee meetings are open to the public with the authority to close a meeting for specific reasons that involve, for	The draft procedures were made available to the public via the IAIS website Agreed – definition copied from draft procedure to Glossary Agreed – the Secretariat will adopt an appropriate program See amendments to section on invitation of guests

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			example, discussion of individual company issues or IAIS strategy. A policy of closing meetings of insurance regulators by default will not improve "efficiency." Open meetings can be run efficiently if committee leadership is trained to organize the sessions to allow public input at the appropriate time, stop presentation of repetitive comments, and stop discussion of matters previously decided. 6. The process for development of supervisory and supporting materials should start with a public consultation before a proposal is submitted to the Executive Committee. As currently proposed, the first time interested parties will have to comment on a new IAIS initiative is only after the initiative has been formulated and prescribed by the Executive Committee. New initiatives would be better formulated if interested parties were able to weigh in at the design stage to ensure that the issue to be work on was fully described and all relevant issues identified.	The procedures specifically allow engagement of stakeholders prior to submission of plan to Executive Committee – see text after Section V.B.xi.
NAIC Consumer Representatives	USA	No	Four IAIS NAIC Consumer Observers submit these comments on IAIS' "Draft Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders "(Draft Procedures). Preliminary, we do agree with several proposals. For example, eliminating the substantial Observer fee will reduce the appearance of "pay to play," and could lead to greater involvement by a larger and more diverse group of stakeholders who otherwise could not afford or were unwilling to participate (as will the greater focus on conference calls). Theoretically, this could particularly benefit consumer groups, who typically have minimal travel budgets and could not participate in person. Second, the IAIS commitment to a minimum of two public consultations - at the beginning and near the end of the development of a new supervisory draft - at least formalizes several opportunities for stakeholder participation. However, if the IAIS adopts the Draft Procedures, the primary result would be to make the IAIS less transparent and accountable, and therefore less effective. Limiting public participation to the start and near conclusion of a project creates a black hole throughout most of the development stage, where stakeholder involvement generally is not contemplated. Allowing stakeholders access to this period would reduce drafting errors and provide perspectives on potential problems and solutions before months or years are spent on a project section. "Efficiency," when defined by quickness of deliberation, is not an appropriate goal if it detracts from "effective and globally consistent supervision" (IAIS Mission Statement). Efficient procedures should encompass greater stakeholder involvement so that committee work does not have to be substantially revised due to problems that could have been addressed earlier in the drafting process. Related, and perhaps most concerning, is the presumption that IAIS meeting will be closed to non-members (Section I., Attendance at Committee and Subcommittee Meetings). This presumption should be reversed and meetings considered open absent a specific statement in advance as to why they will be closed. The IAIS consistently references "transparency" as an important goal, as do most public and quasi-public agencies in the United States. Transparency does not mean coming to agreement with	The procedures specifically allow early and ongoing engagement of stakeholders as appropriate – see text after Section V.B.xi.

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			stakeholders, or even the willingness to schedule a public comment period at a particular session, but it should mean access and visibility - put simply, to allow the public to listen to deliberations. Efficiency is not compromised by public observation, but often enhanced as it leads to greater stakeholder understanding of potential regulatory standards and possibly greater acceptance. These sections of the Draft Procedures are contrary to the principles of open government and shared responsibility; perhaps best illustrated by noting that if the IAIS was considered a public agency, then these Draft Procedures may violate the Open Meetings and Freedom of Information laws of most jurisdictions in the United States. These Draft Procedures could particularly disadvantage consumer stakeholders, even though that would not be IAIS' intent. Consumer advocates do not have the power and resources of insurers and other stakeholders. Our influence, if any, is not because of our market share in a country, but the quality of ideas, and commitment and experience in consumer (policyholder) protection. Our credibility and therefore our effectiveness often depend on speaking publicly at hearings and committees and being able to communicate directly with supervisors. Much of this will be lost, along with the opportunity to meet consumer observers from other countries, who will now have equally minimal opportunities to meet in person. Just as insurance regulators benefit from collaboration with their fellow supervisors, consumer observers can learn from our counterparts throughout the world, which would increase the value and inclusiveness of our advocacy. If these Draft Procedures are adopted, we ask that the IAIS: (1) schedule a session for consumer observers at the annual meeting each year, (2) identify and invite consumer observers from more regions and countries (including academics) to play a role in IAIS work, and (3) when stakeholders are invited to participate in a particular working group or session, to offer consumer observers a similar role in the proceedings. We ask the IAIS to reconsider the Draft Procedures. The IAIS has a crucial role in developing effective and fair insurance regulation worldwide. To do so effectively and fairly, the IAIS should consider transparency, stakeholder involvement and enhanced consumer participation as vital components of standard setting and financial supervision, and not obstacles to its development. Thank you for considering these comments. Signed: Brendan Bridgeland Sonja Larkin-Thorne Peter Kochenburger Brenda Cude Footnote 1: E.g, New York McKinney's Public Officers Law, _ 193 (Open Meetings); West's Annotated Cal. Gov't Code _ 54950 (Declaration and intent of open meeting requirements); Connecticut General Statutes _ 1-225 (government agency meetings to be open to the public); 39 A.L.R. 3d. 1070 (references	To be discussed with consumers how they can best get and remain engaged

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			statutes and cases nationwide on state open meeting laws).	
National Conference of Insurance Legislators (NCOIL)	USA	No	The National Conference of Insurance Legislators (NCOIL)—an organization of state legislators who chair and are guiding forces in the committees responsible for introducing, debating, and endorsing insurance laws in each U.S. statehouse—appreciates the opportunity to comment on the IAIS Draft Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders. While we recognize the increasing role that the IAIS is playing in international discussions and understand IAIS interest in promoting efficiency, we would like to stress certain practices that need to be observed regarding the approach that IAIS may take. NCOIL believes that openness and transparency are a requirement in any and all international dialogues that would impact the successful U.S. regulatory system and continue to encourage such methods of due process, most recently in resolutions adopted on July 13 relating to capital standards and to guiding principles for insurance regulatory discussions. We called for a meaningful mechanism for state insurance legislators to weigh in and highlighted the importance of coordination and cooperation among legislators, regulators, and interested parties. Though the draft IAIS procedures express support for a more open and transparent process, NCOIL is unclear as to how closing IAIS meetings would advance that goal. In the U.S., discussions regarding proposed legislation and other matters must, with very limited exceptions, be open to all who may be interested—to help ensure that policymakers are held accountable for their decisions and that the product of those deliberations are given credence. We respect the integrity and dedication of regulators active in the IAIS, and so we caution that closing meetings could call IAIS decision-making into question. The growing importance of IAIS initiatives, particularly regarding capital standards and corporate governance, demands a more, not less open approach. That means, we believe, that a range of interested parties should continue to have a say throughout development of IAIS work products. Limiting stakeholder input will actually endanger the efficiency that IAIS is seeking, as it would be difficult for state legislators in the U.S. to support a proposal affecting U.S. insurance oversight without a full understanding of its impacts and without a belief that the proposal reflects open and balanced discussion. Global standards, though well-intentioned, will fail to meet their objectives without approval at home. While choosing a small group of interested parties to offer comments in closed IAIS meetings may be thought of as a way to encourage efficiency while retaining transparency, NCOIL urges you to reconsider, as this approach could create an unlevel playing field and the appearance of favoritism. It also could lead to work products that pose inadvertent harm to certain segments of the industry, such as small and	See amendments to section on inviting guests

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			medium-sized companies that lack significant resources to participate in international discussions. NCOIL again thanks you for the opportunity to comment. In addition to our submission, we strongly encourage you to consider carefully the comments submitted by the National Association of Insurance Commissioners (NAIC) on behalf of state insurance regulation and in support of an IAIS process that is transparent and accountable.	
National Association of Mutual Insurance Companies	USA	No	The National Association of Mutual Insurance Companies (NAMIC) appreciates the opportunity to comment on the Draft Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders ("Draft Procedures"). NAMIC is the largest property/casualty insurance trade association in the U.S.A., serving regional and local mutual insurance companies on main streets across America as well as many of the country's largest national insurers. NAMIC's 1,400 member companies serve more than 135 million auto, home and business policyholders, and write more than \$196 billion in annual premiums. With such a large member base, NAMIC speaks for many companies that cannot be active on international issues, and, for this reason, already consolidates the messaging from numerous large, medium-sized and small companies in the U.S. and Canada. NAMIC also represents the interests of the "mutual" insurance industry and its unique organizational structure. It is for these and many other reasons our members engage NAMIC to gather information, represent mutual interests and share member views as needed. NAMIC believes, as the IAIS has stated in its own bylaws, that the IAIS should continue to be "an example of transparency, administrative due process and governance," and that the IAIS should "consult widely amongst its members and observers and make its consultation procedures transparent." IAIS Bylaws, Article 2, section 3. An appropriate IAIS process including full and fair stakeholder engagement is of critical importance to the development of insurance standards that are meaningful, consistent in their effect globally, and adopted/implemented world-wide. For these reasons, we want to join you in efforts to improve the process -- to make it more transparent, more effective and more efficient. We believe that efficiency and transparency are two different concepts. Certainly we support a more efficient IAIS process, but not at the expense of transparency. We start from the premise that the process will be transparent and then support efforts to streamline the procedural elements needed to adopt policy. The IAIS Draft Procedures provide some strong steps forward that NAMIC supports including: 1) the decision to open the process to all interested stakeholders; 2) the elimination of the observer fees; 3) the decision to make public all materials, consultations, meeting summaries, etc.; and 4) the creation of a	

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			more defined set of procedures for the development of ICPs, Standards, Guidance, Issue Papers and Application Papers. At the same time certain proposed changes will constrain efficiency, will result in less transparency and could create an appearance of impropriety even where none exists. 1) The proposal to close committee and subcommittee meetings from stakeholder participation will limit trade association involvement in the process. If trade associations are not able to engage effectively in the IAIS policy process, small and mid-sized companies who do not have the time or resources to participate directly in IAIS projects will lose their voice at IAIS. If the interests of these small and mid-sized members of the industry are left out of the international dialogue, the incorporation of IAIS standards into local laws and regulations will be highly challenging and the implementation by companies will be virtually impossible. 2) The selective inclusion of "guests" to participate in committee meetings on technical issues will necessarily mean that isolated views will be represented while others will not be heard by members attempting to make decisions on the direction of global standards. Regardless of the intention and even the actuality of the situation, an appearance of impropriety will damage the credibility of the organization. 3) The lack of a guarantee that IAIS members who are not on committees can attend committee/subcommittee meetings, further adds to the potential appearance of impropriety. To address these significant concerns we propose if the IAIS moves forward with the proposal to close meetings to stakeholder participation there are several additional procedural steps that should be taken to assure a full, fair and open process for global standard setting: - Enhancements to Public Background Note - We propose that the Public Background Note from the responsible chair should include questions and topics for potential stakeholder comment. With the information included in that note stakeholders will be in a position provide feedback, and offer workable approaches that will achieve the goals in advance of the first consultation draft. - Minimum of Two Consultations --There should be a minimum of two consultations on any proposed creation or revision of an existing ICP, standard or guidance. Sharing a draft and then substantively revising it in a final version without an opportunity for comment on the final draft promotes inadequate comment quality and uncertainty in the final product. - Meeting Webcasts/Archives - In the absence of stakeholder participation in meetings, the only way to provide transparency in the policy making process is to provide live webcasts of all public meetings. To address differences in time zones, webcast meetings should also be archived on the IAIS for no less than	See amendments to section on inviting guests Members who are not on a Committee/Subcommittee have the right to attend meetings in all but limited circumstances (e.g. personnel matters, voting, litigation) Agreed – added to list of elements of Note Further comments sought on this issue Feasibility of approach to be examined

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			30 days for viewing by any stakeholder. - Minimum 30-day Notice for Meetings or Teleconferences -Thirty-day advance notice of all meetings should be provided on the IAIS website including the date, time, location, call-in number, planned agenda and names, affiliation and member countries of any non-member guests invited to attend. - Minimum 60 Day Comment Periods - There should be a minimum of 60 days for public consultations not just a goal of 60 days. The issues under consideration are of great importance to the industry and the global economy. They deserve thorough and adequate review by stakeholders. - Clarification of "Stakeholder" Definition -- We note that Section III includes a discussion of who is a stakeholder. However, the term is critical and is used throughout the draft, so it should be defined in the Glossary. We suggest the following be added to the Glossary: "Stakeholder" shall include any entity, group, firm or individual who has self-identified as interested in insurance supervision and/or regulation." - Objection/ Request for Equal Time - If IAIS proceeds with the selective invitations for stakeholder participation in meetings, IAIS needs to consider procedural mechanisms that will provide more balance and at least a semblance of fairness. One way to move toward this goal would be to give stakeholders that were not invited to participate, the right to request equal time with the committee or working group to share differing views, and/or the right to object to an invitation to a particular stakeholder. - Full Meeting Minutes - The current practice of providing the public with meeting summaries and not full minutes has limited the flow of information. In an effort to improve the process, the IAIS should add a required public dissemination of the full minutes that include a detailed description of the discussions. - Resolution of Comments Received -- If the IAIS moves forward with the current draft of this proposal -- limiting stakeholder participation to written comments -- the resolution of comments received is one of the most important provisions in the Draft Procedures, and we strongly support the addition of this step to the process. It has been a concern in the past that many comments made were overlooked or ignored and never addressed publically. This process resulted in frustrations, repetition in future comment letters and poor communication between the IAIS members and stakeholders. It is critical that there is an absolute commitment to specifically address all comments submitted by stakeholders. Comments submitted should be accurately reflected, and clearly accepted or rejected, and specific rationale for the decision provided.	See prior response See prior response Agreed – term added to Glossary See amendment to section on inviting guests Appropriate records will be provided The IAIS is committed to addressing all substantive comments received, either in individual manner or by grouping into themes as practiced elsewhere.
The	US	No	Northwestern Mutual appreciates the opportunity to comment on the IAIS's Draft Procedures on Meeting	

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Northwestern Mutual Life Insurance Co.			Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders. Our company, headquartered in Milwaukee, Wisconsin, was founded in 1857 and today is among the largest writers of individual life insurance in the United States. We offer our policyowners a wide array of life insurance products, including whole, term and universal life. In addition, we offer annuities, disability and long-term care insurance, and, through subsidiaries, brokerage and advisory services for individuals and businesses. Northwestern Mutual has been an IAIS Observer for several years now. As an Observer, we have actively contributed our practical insights to IAIS workstreams both by submitting comments in formal consultation processes and by participating in meetings of IAIS subcommittees. We have done this because we recognize the increasing importance of the IAIS's work. The worldwide use of IAIS standards as global benchmarks for insurance regulation through Financial Sector Assessment Program examinations brings an increasing responsibility to IAIS members and the secretariat to avoid harmful unintended consequences when setting such standards. By eliminating Observer status and the opportunity for industry and others generally to contribute in IAIS meetings, the IAIS stands to lose the diversity of input it needs to set standards that work with the diversity and complexity of real world insurance markets. The IAIS should remember that while some companies operate globally, insurance markets, products and consumers are fundamentally national or regional. We believe the reorganization under consideration would reduce the flow of input and concentrate it among those members of industry with which IAIS members and the secretariat are most familiar. In its November 2011 Insurance and Financial Stability paper, the IAIS recognized that national insurance markets in general tend to be characterized by many competing suppliers. What happens if the IAIS hears only from the most globally active of those suppliers? Incomplete participation will limit the breadth of information available to the IAIS in standard-setting. The resulting standards may force uniformity in insurer behavior and product development which will harm consumers, concentrate risk and stifle the innovation and product experimentation necessary to effectively serve diverse markets. Before eliminating Observer status or otherwise changing the opportunities to participate in IAIS meetings, the IAIS needs to develop new processes that increase the opportunities for all stakeholders to participate, in an open and transparent manner. Accordingly, we support the specific comments made by the NAIC and by the ACLI.	

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Ann Henstrand & Morag Fullilove	US and EU	No	The IAIS in its proposed procedures stresses the need to change the IAIS systems to respond to the growing importance of the IAIS's work. The IAIS now functions as a standard setting body, and as such must meet the best practices of other standard setting entities. In addition, the IAIS standards have even greater import because of the impact of the Financial Sector Assessment Program in which jurisdictions are evaluated against the IAIS standards. The importance of this FSAP process alone is enough to give IAIS actions a quasi-regulatory status and require compliance with the highest standards of governance, and the addition of ComFrame adds even more need for full due process similar to the requirements on regulators worldwide. Fortunately, there is extensive literature on best practices in governance procedures for regulators, non-profit entities and standard setters. These documents universally emphasize the value of a transparent and participatory process. We cite below only a few examples from the OECD, ICANN, and ISO, and, we also note that a great deal of academic research has been published on best practices, and outcomes, for the organization of non-governmental and not-for-profit entities, where contributions from public policy makers, government officials, academic and industry experts, and others are all needed. The OECD, to which a number of IAIS members belong, has published A Background Document on Public Consultation, which outlines the need for notification, consultation and participation. The OECD points out that, "Consultation increases the level of transparency and it may help to improve regulatory quality by: - Bringing into the discussion the expertise, perspectives, and ideas for alternative actions of those directly affected; - Helping regulators to balance opposing interests; - Identifying unintended effects and practical problems. Using pre-notification it is possible to foresee more easily the consequences of some planned policies, becoming one of the most productive ways to identify administrative burdens; - Providing a quality check on the administration's assessment of costs and benefits; - Identifying interactions between regulations from various parts of government. In looking at the literature, we suggest that while, if correctly implemented, the IAIS proposals may meet many of these notification and consultation goals, the IAIS proposal is very weak regarding participation. The OECD-APEC Integrated Checklist on Regulatory Reform highlights that regulations should be developed in an open and transparent fashion, with appropriate and well publicized procedures for effective and timely inputs from interested national and foreign parties, such as affected business, trade unions, wider interest groups such as consumer or environmental organizations, or other levels of	The procedures allow participation at all stages as appropriate and, as recognised, requires a formal, structured public consultation process, which

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			government. The IAIS Policy for Consultation of Stakeholders needs to be expanded to recognize that participation improves the quality of rules and regulations, increases compliance and reduces enforcement costs for both governments and those subject to its rules. The technology arena confronts a need not unlike that of the IAIS community: to develop and maintain a system providing for global adherence to technical principles, within a governance framework allowing participation by public officials, industry, consumer, and academic interested parties, and for-profit entities, all desiring internationally comparable rules. There are numerous multi-lateral groups which govern different standards on the internet. One example is ICANN (Internet Corporation for Assigned Names and Numbers) who has responsibility for internet addresses and domains, and, has developed a set of best governance practices to guarantee both accountability and transparency. Other like groups operate similarly, including the Internet Governance Forum (IGF) under the UN, whose 2014 annual meeting is focused on cutting-edge mechanisms and practices for enhanced participation in a multi-stakeholder environment. In 2007, ICANN received its first report from a formal periodic review by its Accountability and Transparency Review team, and implemented 27 recommendations to its standard operating practices and bylaws, including but not limited to the posting of extensive Board meeting information (including briefing materials and expanded minutes and rationales for Board actions, a revamped webpage with detailed timeline, format, and explanations for all Reconsideration Requests, the establishment of an ombudsman framework consistent with international standards, and increased provision for face-to-face interactions between its government affairs committee, made up of national governments and multinational governmental and treaty organizations and public authorities and others. Similarly, there are hundreds of standards-setting organizations who develop and maintain standards for everything from currency codes, water safety, information security, and telecommunications protocols, which adhere to national law and regulation such as that promulgated by European Union and its members, and the US Department of Commerce, among others, and, to broad international best practices with regard to intellectual property, anti-trust behavior, general governance, transparency, and stakeholder participation. SDOs organize themselves under principles fostered by ISO (International Organization for Standardization,) with 160 country members and partners including the WTO (World Trade Organization). Their frameworks include broad principles and detailed templates, to support due process, transparency, and broad collaborative participation in standards development and maintenance. In a related arena, the IASB, FASB (International Accounting Standards Board, and, Financial Accounting Standards Board) and other accounting authorities universally adhere to best practices which mean their	is in accord with good practices described in OECD note.

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			meetings are public, their decision-making process is deliberative and accessible, and many resources are deployed to support a framework to allow for collaborative and individual input from interested and affected parties and the public. While none of these analogous bodies have a mission or membership identical to the IAIS, they all have similar needs to operate globally in an efficient and effective manner, and, have developed useful approaches for doing so while not sacrificing participation principles of transparency and accountability. The IAIS should reaffirm its commitment to open and transparent processes, in recognition that transparency improves standards and is necessary for an eventual adoption of and adherence to those standards. Recognition that the IAIS has benefited from the contributions of observers (page 3), while we hope is true, is a weak acknowledgement of the obligation which regulators have for full consultation and participation. Transparency in government is not an issue of efficiency, it is one of absolute obligation. The IAIS needs to recognize that its role is quasi-governmental and respond accordingly. We urge that the IAIS procedures make a strong commitment to openness and transparency in its statement of procedures as a signal to the IAIS leadership and staff that the IAIS is truly committed to maintaining the best practices of transparency. Moving away from transparency toward gate-keeping and a hierarchical curating of sources of expertise is in exact opposition to evolving best practices in global standard-setting. The IAIS's own transparency process should be equal to or surpass those of its members. As with all the IAIS standards, the rules for transparency and openness should set a world-class goal rather than be the average of its members' current processes. In addition, the IAIS should as part of the development of its standard review the international best practices in governance and transparency, including establishment of world-class processes leveraging examples in other arenas, both as it prepares its new procedures and in regular reviews of the procedures to ensure that the IAIS maintains its goal of excellence and holds itself to the same high governance standards it is imposing on the companies its members supervise. Morag Fullilove is the Principal of The Fullilove Consulting Group, Brussels, Belgium, and has participated in IAIS committee work as an observer on behalf of a broad array of clients since 2003. Morag followed the NAIC and their workstreams in the US on behalf of the Alliance of American Insurers and her consulting clients for more than 25 years. She studies best practices in association management, is a Certified Association Executive (CAE) awarded by the Association of Association Executives, and has earned a Masters in Management from the Kellogg School of Northwestern University.	The IAIS is committed to an open and transparent process that is appropriate to its structure and mission.

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			Ann Henstrand is Senior Regulatory Consultant at Rector & Associates, has participated in IAIS meetings since 2007, and worked with NAIC, US state, and other insurance supervisors for more than 20 years in government affairs roles at Barnert Associates, MetLife, Catlin, and ACORD. Ann earned a Masters degree in International Affairs at Columbia University's School of International and Public Affairs.	
American Council of Life Insurers	USA	No	The American Council of Life Insurers represents approximately 300 life insurers that operate within the United States and over 120 international jurisdictions. We appreciate the opportunity to comment on the proposed IAIS procedures. Our comments are intended to represent constructive suggestions for consideration by the Executive Committee in finalizing the revised procedures and consultation mechanisms. We acknowledge that it's not your goal to choose winners and losers. And we recognize that when regulation changes, business models may have to change, too. We hope, though, that you will bring ACLI into your processes, so that we can collectively assist you in assessing the relative competitive impacts of proposals that you consider. We recognize the importance of the IAIS's reconsideration of its operational process, policy consultation process and governance, in light of the directions given by the G20 member governments, the Financial Stability Board, and other national policymakers to whom IAIS members are responsible, because of the global financial crisis. We accept that no organization can stay static if it is to continue to be relevant to the evolving environments (political and economic, to name two) and we appreciate the opportunity provided by this consultation for current IAIS Observers to review and comment on the draft. Our comments are intended to represent constructive suggestions for consideration of the Executive Committee in finalizing the revised procedures and consultation mechanisms, and not to challenge the ultimate decision to change the status quo. We note that the financing of the IAIS and the treatment of Observership status are different issues, and should be treated separately. We support the transition away from the current practice of regulators soliciting industry funding for IAIS activities, and we support an attendance fee system as practiced by EIOPA, NAIC and other regional regulatory bodies. However, we do have significant concerns about what we perceive are reduced opportunities for stakeholder involvement and input. Thus as priority themes we urge you to consider the following:	

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			1. Do not develop regulatory standards in isolation from the industry you supervise, the markets they serve and the customers you are protecting. Work with industry by explaining the problems you are trying to fix and analyzing the costs and benefits of the options at hand, and agree on a consensus course. 2. Maintain your relativity to national policy makers who must vet, legislate and implement any standards into the national regulatory framework. Industry is a key constituency in national approval and implementation of standards, and an industry which has been excluded from standards development should not be expected to support implementation. 3. Refuse to become an ivory tower beurocratic elite, by continuing inclusive interaction with diverse stakeholder groups outside you peer group. Create counter cyclical dialogues with those who may not agree with you on approach but who have the same objectives. This is how you will be prepared for the next crisis and not the last one. 4. Do not discard the 20 years of relationships, and expertise which the IAIS Annual Conference has played a fundamental role in developing. We fully support immediate funding changes, but the IAIS must not stop the direct interaction, dialogue and honesty which this unique venue offers. Detailed concerns are as follows: - The importance of IAIS's work requires more stakeholder input, not less. The IAIS is engaged in the development of critical standards that have the potential to impact all of our member companies. Elimination of the Observer status will remove a fundamental check on the development of those standards. If industry concerns are unaddressed by the IAIS, it will be compelled to address them in national legislatures and supervisory authorities, placing the success of these IAIS initiatives at risk. - Potential for selective input. The proposed new procedures generally exclude stakeholders (Observers) from IAIS meetings, while giving committee chairs significant discretion to invite selected stakeholders to provide "targeted, technical input." We are concerned that this broad discretion will produce distorted input and unbalanced outcomes. We suggest that meetings involving any selected stakeholders should be open, at least for observation, to all stakeholders. - Minimal level of required consultation. The consultation document indicates that stakeholders would be consulted at least once prior to final adoption, with broad discretion given to working group chairs regarding additional consultation. We are concerned that this minimal level of required consultation will	See amendments to section non inviting guests The stated required consultations do reflect the minimum and allow for

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			make it difficult for industry to analyze and react to proposals. For instance, if the single consultation occurs at end of a long development process, the window to provide difference-making input will be largely closed. We suggest that the IAIS develop procedures such that the stated minimum consultation is the exception, not the norm. In addition, stakeholders should have the opportunity to provide input early in the development process. - Unclear status of the Annual Conference. The consultation document makes only an indirect reference to the Annual Conference and does not discuss its future. We are aware of discussions that the Annual Conference may be discontinued. We are concerned about this development, as we believe that the Annual Conference provides a valuable opportunity for substantive discussion and engagement with supervisors. We suggest that the IAIS retain the Annual Conference, possibly a scaled-down version and with registration substituting for sponsorship income. We also note that the consultation document proposes that the Executive Committee would invite stakeholders to an "open discussion"; an Annual Conference would seem to be the ideal opportunity for such discussion. - Apparent neglect of the IAIS's own Bylaws. Article 2(3) of the IAIS Bylaws provides that "[i]n the Association's medium and long term strategic plans and principles, standards and guidance, the Association will consult widely among its members and observers and make its consultation processes transparent." It is difficult to see how a proposal for "discontinuation of Observer status as of 1 January 2015" is consistent with this IAIS Bylaw. - The perception that the proposed changes are a fait accompli. At the 2013 IAIS Annual Meeting Observer Session, the IAIS committed to a series of Observer consultations which were to begin in January of 2014. Such consultations have not occurred. The consultation document is the first and apparently only opportunity for observers to provide input on these changes. We believe that the proposed changes merit much greater deliberation, including a review of the processes used by BCBS and IOSCO. We would urge the IAIS to reflect on the following excerpt from the OECD Best Practice Principles for Regulatory Policy The Governance of Regulators (2014). "Whatever mechanisms are used, engagement with key stakeholders should be institutionally structured to produce concrete, practical opportunities for dialogue based on achieving active participation and, where possible, exchange of empirical data, rather than on a desire to achieve consensus. "The aim should be better informed, timely decision-making, underpinned by processes that build	additional input, including at early stage, from stakeholders as appropriate – see text after Section V.B.xi. From 2015, the Annual Conference will open only to Members. Upon a recommendation of the Executive Committee, the General Meeting approved amendments to the By-Laws to discontinue Observer status as of 1 January 2015 This is the second consultation with Observers – October 2013 announcement was on broad proposal that is now being finalised in detail.

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			confidence that decisions are cognizant of the impacts on all affected parties. This is more likely to be achieved if there are structured consultation mechanisms that include a genuine invitation from regulators for comments from market participants and other stakeholders and appropriate consideration of the comments that have been received." In summary, the changes proposed in the consultation document are profound and will fundamentally change the way in which the IAIS conducts its business. With this in mind we would suggest that any proposed bylaw changes include a sunset clause and transition period of one year to provide an opportunity to refine the proposed processes and procedures before the changes are permanently adopted in the bylaws on an ongoing basis. In July 2015, the IAIS would survey Members and stakeholders, with a written report and recommendations presented to Members in time for the 2015 Annual General Meeting. This transition period would give the IAIS an opportunity to create processes that best achieve its aim to be a global standard setter.	The By-Law changes do not include a sunset provision, but all procedures will be periodically examined in order to confirm that they are appropriate and effective.
American Insurance Association	USA	No	The American Insurance Association (AIA) appreciates the opportunity to submit comments on the International Association of Insurance Supervisors (IAIS) August 4, 2014 "Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders" ("Draft"). AIA represents approximately 300 major U.S. insurance companies that provide all lines of property-casualty insurance to consumers and businesses in the United States and around the world. AIA members write more than \$117 billion annually in U.S. property-casualty premiums and approximately \$225 billion annually in worldwide property-casualty premiums. AIA's membership includes U.S. insurers that write insurance only within the U.S., U.S. insurers that write insurance inside and outside the U.S., and insurers that are U.S. subsidiaries of multinational insurers. This membership diversity enables AIA to analyze issues from many perspectives and enables us to draw on the global experience and expertise of our companies. AIA welcomes the Draft's commitment to democratizing the consultation process by eliminating the need for organizations to contribute financially to the IAIS in order to take part in its consultations. In order to create the highest-quality global standards, it is important that the IAIS solicit and consider the perspectives of all stakeholders, including insurers, consumer advocates, academics, and others, some of whom may be unable to pay for the privilege of engaging with the IAIS. However, this welcome expansion of general access to the IAIS should not come at the expense of transparency in the IAIS's decision-making process on significant issues such as the designation and supervision of global systemically important insurers, the establishment of a framework for group-wide supervision for internationally active insurance groups, and the development of global insurance capital	

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			standards. Excluding stakeholders from regular attendance at IAIS Committee and Subcommittee meetings will deprive them of the opportunity to provide input during the formative stages of such initiatives - arguably the most critical opportunity for doing so, before concepts are crystallized into entrenched draft language. Therefore, AIA urges the IAIS to reconsider the proposal to exclude stakeholders from IAIS meetings. That change appears to be in conflict with the IAIS's By-Laws, which require that the IAIS "consult widely amongst its members and observers and make its consultation procedures transparent." (Article 2, Objectives of the Association, (3)). Furthermore, the changes outlined in the Draft would make IAIS procedures less transparent than the procedures of regional insurance regulatory organizations such as the Asociaci_n de Supervisores de Seguros de America Latina (ASSAL) and the European Insurance and Occupational Pensions Authority (EIOPA). Transparency has deep roots in the law and regulation formation processes in the United States and many other IAIS jurisdictions, and is viewed as essential to making those who govern accountable to the governed. It is possible that the Draft is inconsistent with the obligations imposed on IAIS members by their local transparency requirements. U.S. public officials, including insurance commissioners, must follow various "open meeting" laws (also known as "sunshine" laws) that require that meetings at which official decisions are made be open to the public, with very few exceptions for meetings on personnel matters, administrative issues, etc. However, whether or not the legal requirements of open meeting laws technically apply to supervisors when they engage in IAIS business, we believe that the spirit of open meeting laws - transparency and accountability - unquestionably should continue to apply. In the U.S., this spirit is reflected in the recently revised "NAIC Policy Statement on Open Meetings" adopted by the National Association of Insurance Commissioners.	Upon a recommendation of the Executive Committee, the General Meeting approved amendments to the By-Laws to discontinue Observer status as of 1 January 2015
CNA	USA	No	CNA appreciates the opportunity to respond to the IAIS Draft Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders ("Procedures"). While we understand the desire of the IAIS to obtain and evaluate observer feedback in the most effective and efficient way possible, we are concerned that the Procedures will limit the opportunity for interested parties to provide input, or allow for that input to be provided too late in the process to make a difference. Obtaining observer input into the process on a frequent, ongoing basis is critical to ensure that as many perspectives and viewpoints as possible are taken into consideration to reach appropriate conclusions and minimize the risk of unintended consequences. Having companies participate in select discussions on an invitation only basis does not provide this broad perspective but instead could create an undue bias toward the view of an individual or a select few companies. We also note that the Procedures appear to be modeled after, or at least take a similar approach to, those used by banking standard setters. While such an approach may be effective in the world of banking regulation, it is important to recognize the inherent differences between insurance and banking that justify the need for	

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			differences in the approach to standard setting. In the case of banking, a less transparent approach is necessary and appropriate as debating any new or changing regulations in a public forum has the potential to lead consumers to react negatively resulting in a "run of the bank" type scenario. That said, the same risk does not exist in the insurance world, therefore we question the need and / or rationale for moving to the proposed regime that significantly reduces transparency.	
NAIC	USA	No	As the IAIS makes changes to its structure and consultation process, the NAIC and its members would like to highlight one concern for consideration that deserves particular attention. Specifically, we remain opposed to the intended exclusion of stakeholders from deliberations and meetings of the IAIS. Members of the NAIC have long embraced an open and transparent process, where those impacted by our work not only can provide comment but can stand before the supervisors, consumers, press and market competitors and make their perspective heard. This transparency encourages those with often opposing viewpoints to consider the views of others, leading to more consensus and balance in our finished product. Transparency and inclusiveness at the various stages the development process is also vital in convincing legislative bodies in the U.S. (and presumably abroad) that standards, should they be implemented, were developed fairly and with due process. Without these elements, there is not a legislative body in the U.S. that is likely to be supportive. The argument that having an open meeting leads to regulatory capture or coercion we believe is misguided and insults the integrity and objectivity of all supervisors. In fact, our experience has been the opposite, where public scrutiny limits the ability for those with political access to hold sway. Supervisors routinely have to weigh the perspectives and weather the pressures of those we regulate, politicians and press, and ultimately those we are charged with protecting - the policyholders. The responsibility for making a decision that balances those forces with insurance consumers' best interest in mind is one we all take seriously. Why then avoid the transparency that only improves our work and lends additional credibility to our efforts? If indeed supervisors are so prone to capture and coercion, excluding a broad range of stakeholders would only lead to behind-closed-doors decision making where there are winners and losers based on political access rather than the merits of their arguments. The NAIC has been consistently outspoken that more stakeholder involvement is warranted at the IAIS, not less. We have supported the inclusion of industry representatives not just from the largest firms but the small and midsize firms that often have different resource and compliance issues arising from our collective work. We have supported inclusion of representatives from financial stability bodies, including the U.S. FSOC, particularly as we work with the FSB to identify potential G-SIIs. And perhaps most importantly, we have advocated for inclusion of consumer representatives who will ultimately pay the cost	

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			of any regulatory requirements we collectively create. We have tremendous respect for our supervisor colleagues around the globe and faith that each of us discharges our responsibility with independence and professionalism. But we should then leave no doubt of this to those we supervise and those who we supervise for by embracing the quality of openness, access, and transparency that all stakeholders deserve.	
Office Of the Independent Member with Insurance Expertise, Financial Stability Oversight Council (FSOC)	USA	No	Comments by the Financial Stability Oversight Council's Independent Insurance Member to the IAIS's Notice of Request for Comment of August 4, 2014 The International Association of Insurance Supervisors (IAIS) serves as the world's leading body bringing together experts from around the world in furtherance of two objectives:[i] 1. to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders; and, 2. to contribute to global financial stability. The objectives of the IAIS are laudable, and the general methods [ii] by which it undertakes initiatives to effect those objectives are well-reasoned and merit support. I offer this submission in support of your important objectives, and particularly your future contributions to global financial stability. The IAIS has a specific objective of making significant contributions to further global financial stability, particularly in the context of the insurance sector. This objective is distinct from its first objective, which is one of being an international standard setter in the field of insurance supervision. It is generally accepted that the furtherance of global financial stability, to be maximally effective, requires a combination of three elements: * sound, well-reasoned research regarding financial markets, including insurance markets and their interconnectedness; * seasoned expertise regarding the insurance sector, insurance market participants and insurance regulatory mechanisms; and,	

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			* commitment by policymakers with the legal authority to act on financial stability matters. It is the ability, willingness, and commitment of policymakers to act, by making judgments informed by a deep understanding and thoughtful analysis of financial markets, the insurance sector and insurance regulation, that contribute toward the goal of ensuring financial stability. The IAIS is most effective when it prompts systemic risk policymakers to act based on the strength of its collective expertise as the world's foremost representative body pertaining to insurance markets. Such use of the extensive expertise and insights of the IAIS is vitally important as the IAIS works to always serve as the principal source of thought leadership regarding global financial stability considerations in regards to the insurance sector. The IAIS is and must remain a critically important resource to systemic risk policymakers throughout the world. To achieve its objective of contributing to global financial stability, the IAIS should consider how best to ensure that it continues to have the strongest possible ties with systemic risk policymakers so that they will benefit from and be able to act upon the informed and knowledgeable efforts of the IAIS in the area of global financial stability. In the context of the United States, there exists an entity - the Financial Stability Oversight Council - with authority and responsibility to take actions to promote financial stability. For example, for insurance entities designated by the U.S. Financial Stability Oversight Council as systemically important, the Federal Reserve Board of Governors, the central bank of the United States, becomes the responsible supervisor and will subject the companies to consolidated supervision and enhanced capital requirements. The Chair of the Federal Reserve Board of Governors is also a member of the U.S. Financial Stability Oversight Council. Since the United States central bank is also a U.S. member at the Financial Stability Board, it is a critical participant in matters regarding financial stability, and specifically pertaining to insurance entities. The recent admission of the United States central bank as a provisional member of the IAIS is a positive step to fostering such linkages between financial stability policymakers and the IAIS. As another U.S. example, for insurance entities designated by the Financial Stability Oversight Council as systemically important, the Federal Deposit Insurance Corporation shares authorities in the resolution planning of such organizations. The Federal Deposit Insurance Corporation also plays a role in the resolution in these and other financial companies should they fail and pose risk to financial stability from a potential disorderly resolution. The Chairman of the Federal Deposit Insurance Corporation is also a member of the U.S. Financial Stability Oversight Council. As such, the United States Federal Deposit Insurance Corporation is the critical participant in matters regarding financial stability and any resolution	

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			regimes regarding insurance entities. The IAIS could benefit from broadening opportunities to confer on resolution regimes, cross-border resolution issues, the U.S. single-point of entry resolution framework, and policyholder protection schemes. I currently serve as the sole voting financial stability policymaker in the United States with expertise and responsibility for the insurance sector who serves on the U.S. Financial Stability Oversight Council, having been appointed to this senior position of authority by the President of the United States. In exercising my authorities and in recognition of the significant role of the IAIS, I provisionally joined the IAIS at the beginning of 2014 as an "Observer" in order to better and more directly monitor international insurance developments and to regularly consult with international insurance supervisors within this forum. Through engagement with the IAIS and its members, I am able to be better informed when I act as a member of the U.S. Financial Stability Oversight Council, given the centrality of systemic risk to U.S. Financial Stability Oversight Council's responsibilities. I acted to join as an "Observer" after a proposed IAIS bylaw amendment that would have permitted systemic risk policymakers to join as non-voting members was tabled by the IAIS Executive Committee. In that role as an "Observer" I benefit, moreover, from the perspective of other observers by better understanding the implications for industry and consumers of matters under consideration by the IAIS. As such, I am sympathetic to the goal of ensuring that the IAIS not become wholly detached from those who may be able to provide such important perspectives. The proposal detailed in the IAIS Notice of Request for Comment of August 4, 2014, as outlined, will render null and void my purpose for joining as an "Observer" and will greatly limit the ability of the IAIS to directly consult with and inform me and other systemic risk policymakers. Because Observer-level status would cease on January 1, 2015, the proposal could have the unintended effect of excluding policymakers with legal authorities for financial stability regarding the insurance sector and who may not themselves be supervisors, and thereby impede the very objectives of the IAIS more broadly. Expertise regarding insurance markets, insurance market participants and insurance regulatory systems by themselves are necessary, but must be combined with the ability to take actions to achieve the goals of financial stability through the direct linkages to systemic risk policymakers. The IAIS, in representing a body of informed and expert pertaining to all aspects of insurance, has acknowledged that it must communicate its views, ideas and experience to third parties. I believe that communication and interaction with systemic risk policymakers should not be unnecessarily limited solely to public consultations, meetings and published documents. Informal and internal meetings and discussions can at times be just as valuable.	

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			The draft procedures and policy entail only public consultations on the development of supervisory materials, special public sessions with the IAIS Executive Committee, public dialogues and hearings at IAIS Committees and the provision of public information. The opportunities for engagement with financial stability policymakers, however, should be at a level of confidentiality and sensitivity commensurate with the financial stability matters under consideration. Relegating systemic risk policymakers to only those opportunities afforded to the general public would reduce the likelihood of effective attainment of the IAIS goal of providing a meaningful contribution towards global financial stability. Moreover, meetings in which financial stability policymakers are not afforded more robust access than that provided to the general public may negatively influence decisions to attend important IAIS meetings; and, as a result, opportunities to build vitally important relationships and consultations may be lost. The Notice of Request for Comment of August 4, 2014 announces two agreements by the Executive Committee: (1) an agreement that Observers would no longer generally participate in meetings but rather be invited when necessary to provide targeted, technical input; and (2) that IAIS engagement with Observers and other stakeholders would increase through special Executive Committee sessions, increased Committee-level hearings, and greater publication of documents and use of conference calls. The draft procedures and policy decisions contained in the document relate to the second agreement noted above. As a specific suggestion, the IAIS could also elaborate on the procedures for inviting stakeholders so that the Executive Committee and Committee Chairs retain the discretion to invite stakeholders to meetings and discussions as appropriate. For example, systemic risk policymakers could be invited to attend meetings during which systemic risk matters are being discussed. Another way in which the IAIS could preserve and indeed enhance its opportunities for engagement with systemic risk policymakers would be to reconsider revising its bylaws so that not only could the IAIS continue to liaise and co-operate with "international organizations" involved in issues of the promotion of financial stability, but also to liaise and co-operate with "national organizations" and their members. This amendment would then include systemic risk policymakers who serve on the U.S. Financial Stability Oversight Council and members of other similar national bodies elsewhere. An even more specific way to ensure such engagement would be to consider a motion currently laid upon the table at the IAIS Executive Committee that would provide for participation by systemic risk policymakers as non-voting members. The IAIS has similarly recognized the need for engagement by	See amended section on inviting guests To be discussed To be discussed

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			critical participants in other areas and has welcomed the participation of organizations like the World Bank, the Asian Development Bank and others as non-voting members. Such a bylaw amendment and non-voting membership category could be cast as follows: "A financial stability council made up of governmental bodies and officials, or those bodies and officials, that the Executive Committee may recommend to be eligible for membership for the purpose of furthering the objectives of the Association." The future is likely to include a larger role for financial stability policymaking, and I believe that it is critically important that the IAIS be a body that welcomes all such policymakers wherever they may be situated. I am heartened by the leadership that the IAIS has taken on a wide range of issues, including its leadership regarding financial stability. The IAIS's objectives, as set forth in its bylaws, are "to promote effective and globally consistent insurance supervision in order to develop and maintain fair, safe, and stable insurance markets for the benefit of policyholders, and to contribute to global financial stability." In order for the IAIS to optimally contribute to global financial stability and its own worthy goals, it is of utmost important that opportunities for engagement with systemic risk policymakers be maintained and encouraged to thrive. As such, any unintentional hindrance should be removed as a new framework for policymakers to benefit from the work of the IAIS is undertaken. ----- [i] IAIS By-Laws 2013. [ii] The IAIS works to achieve these two objectives, in particular and as described in its By-Laws, through its efforts to: (a) develop principles, standards and guidance for the supervision of insurance markets; (b) encourage the implementation and practical application of its principles and standards; (c) develop methodologies for the assessment of the observance of its principles and standards, and facilitate assessment processes;	

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			(d) encourage broader contacts and co-operation amongst insurance supervisors, facilitating mutual assistance, education and training on insurance supervision and the exchange of supervisory information; (e) engender awareness of common interests and concerns amongst insurance supervisors and identify potential risks that may affect insurance supervision; (f) liaise and co-operate with other international organizations, particularly those involved in issues of financial markets supervision and promotion of financial growth, stability and integrity; and (g) represent a body of informed opinion within the field of insurance supervision and, where appropriate, to communicate such views, ideas and experience to third parties.	
Property Casualty Insurers Association of America	USA	No	The Property Casualty Insurers Association of America (PCI) represents nearly 1000 insurers and reinsurers that provide coverage to businesses, individuals and governments in the U.S. and around the world. We have long participated in and supported the IAIS consistent with our mission to promote competitive private insurance markets for the benefit of consumers and companies. At the bottom of page 2, IAIS rightly notes that IAIS has benefited greatly from the contributions of Observers. Yet, the proposed procedures will actually reduce the opportunity for those contributions by among other actions, closing meetings that once were open. The other provisions regarding stakeholders do not compensate adequately for this loss of the opportunity for full and equal participation at every stage of work streams. At the top of page three, the general rule is stated that meetings will be closed. This is the most fundamental of all flaws in the new procedures. The reverse should be the case, especially when the role of IAIS, as noted by the paper, has significantly increased. We also strongly agree with the comments of the NAIC, which has a 150 year successful history of insurance regulation of the world's largest insurance market. While not perfect, it has evolved procedures that are far more fair and transparent than the proposed IAIS procedures. The NAIC procedures have also helped increase the likelihood of acceptance and thereby improved over-all efficiency and quality of the outcomes. IAIS should therefore heed NAIC's comments. Stakeholders should self-select by their actual participation. A major issue with the proposed procedures is that IAIS decides who is interested by who may be invited as "guests". But, IAIS might be wrong.	See amendments to section on inviting guests

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			Interested parties are best able to determine what issues they wish to engage in and how to do so, in the context of the maximum possible openness.	
Reinsurance Association of America	USA	No	The Reinsurance Association of America (RAA) appreciates the opportunity to comment on the IAIS Notice of Request for Comment on Draft Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders (Draft Procedures). The RAA also supports the comments for continued broader Observer participation submitted by the National Association of Insurance Commissioners (NAIC), the Global Federation of Insurance Associations (GFIA) [and the letter jointly submitted by U.S. trade associations]. The RAA is a national trade association representing reinsurance companies doing business in the United States. RAA membership is diverse, including reinsurance underwriters and intermediaries licensed in the U.S. and those that conduct business on a cross border basis. The RAA also has life reinsurance company affiliates. The Draft Procedures contemplate the elimination of Observer participation from deliberations and meetings of the IAIS, except by express invitation of a committee chair to provide technical input. The Draft Procedures state that these changes are being made to increase the effectiveness and efficiency of stakeholder input. While increasing efficiency is a laudable goal, if it can even be achieved, it will be done at the expense of meaningful stakeholder input into the policy development process. We strongly urge the IAIS to reconsider its decision to exclude interested parties from IAIS meetings. We urge the IAIS to set forth an explicit presumption that all meetings will be open and that closed meetings will occur only with notice to stakeholders and based upon a stated reason from an enumerated list of exceptions (such as IAIS internal matters or company specific discussions). There is a stated concern that this change is needed to make the process more efficient/quicker. However, greater transparency and interested party participation will not only enhance the final work product and better avoid unintended consequences but it will also improve the time for acceptance and implementation of these global standards in home jurisdictions. Because interested parties will have participated in the process, understood the background, options and issues and played a role in shaping the final product, they will be less likely to object to the adoption of these standards in their jurisdictions. We are also concerned that the combination of closed meetings and the chair's discretion to admit selected "guests" to participate in these closed meetings may result in a work product that does not adequately reflect the full spectrum of stakeholder views on a particular issue. It also creates the appearance of favored status if only certain participants are invited to participate, thereby undercutting the	See amendments to section on inviting guests

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			credibility of the standard setting development. Further, selective industry inclusion may cause unintentional consequences (e.g., the policies create unlevel playing fields). Accordingly, all interested stakeholders should be allowed to participate in the discussion to avoid these results. At a minimum, the Draft Procedures should be modified to ensure transparency regarding the process for inviting guests, what those guests will be discussing and a sufficiently detailed public report of the meeting (including documents discussed at the meeting). The Draft Procedures should also include a mandate that all appropriate views of relevant stakeholders are adequately represented in the drafting processes. In addition, the Draft Procedures need to provide more opportunities for industry stakeholder review and participation throughout the process, and not just at the beginning and end of proposed workstreams. Limiting participation to these points is insufficient to appropriately reflect stakeholder input, particularly with respect to complex workstreams. At the beginning of the process details may not be fully known or developed to allow for meaningful stakeholder input and the workstream might change significantly as the work progresses. Conversely, waiting until the end of a workstream to invite input may be counter-productive because once a development process has been worked through to conclusion, the ability to identify critical problems and the likelihood of significant changes will be substantially reduced. Openness throughout the process improves the ultimate work product, increases industry support and improves the likelihood of implementation. Finally, considering the substantial changes contemplated by the Draft Procedures, more time is needed to consider and test alternatives. Moreover, member supervisors need time to evaluate and provide input to the IAIS on whether the approach outlined in the Draft Procedures, which allows for less access and transparency, comports with their local laws and best practices relating to transparency and stakeholder input. Otherwise, IAIS members may be exposed to serious criticism or even legal challenges originating from their home jurisdictions.	The procedures allow early and ongoing engagement of stakeholders as appropriate – see text after Section V.B.xi
2. - Comments on Section I				
Association of Bermuda Insurers and Reinsurers	Ber.	No	We reference the earlier stated objective to receive stakeholder input in a more "effective, consistent, transparent and predictable manner.' However we are surprised that the IAIS envisions achieving this by closing meetings to stakeholders except by chairperson discretion to "invite guests.' To us, this proposal will tend to work against and not for the stated objectives. While they may be effective in streamlining work streams, "discretionary' decisions are - by definition - not predictable ones and the proposed guidance on building transparency and consistency around them is oddly brief and not explanatory.	See amendments to section on inviting guests

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			Installing chairpersons with sole discretionary power to select stakeholders for participation in meetings creates a far too subjective selection process that will result, despite best intentions, in uneven access to IAIS work. At the least, such a one-way selection process will appear as an avenue for undue influence and favoritism, and decisively undermine any claims of transparency or inclusiveness to the contrary. The OECD Background Document on Public Consultation draws attention to the close proximity of one-way 'lobbying' and a procedure whereby the regulatory agency actively initiates contact with stakeholders in the consultation process: 'The line between these two activities, however, is potentially difficult to draw.' We therefore ask that the IAIS carefully build more transparency and inclusiveness in its contact with stakeholders throughout the entire consultation process to promote a wide spectrum of scrutiny. This means creating a predictable, two-way consultation process that can be mechanized. As a minimal measure stakeholders should be given the opportunity to volunteer for participation in meetings by request or by responding to open calls for engagement. This should occur at an early stage so that draft supervisory and supporting material are meaningfully engaged with stakeholder participation to help prevent unintended consequences and results. According to the OECD Best Practice Principles for Regulatory Policy 'transparent engagement' also translates through the public documentation of who has been consulted, their input and the regulator's response. Detailed minutes of meetings which identify speakers and not only summaries of the main issues should be made publically available.	Appropriate records will be provided
Association of Mutual Insurers and Insurance Cooperatives	Int'l	No	We share the comments provided by GFIA that participation in meetings has been instrumental and valuable for both sides, stakeholders and IAIS members and secretariat. We support the call to reverse in principle the planned "by default, observers/stakeholders are excluded" approach, but could imagine a distinction between the subcommittee and parent committee levels (or also between different parent committees), much in line with the current practice of dedicated "observer sessions" at the ExCom level.	
Gesamtverband der Deutschen Versicherungswirtschaft	Ger.	No	We strongly agree that the IAIS' role within the international financial community has increased substantially over the last several years and resulted in additional responsibilities, in particular with regard to its work on global capital standards for G-SIIs and IAIGs. The German insurance industry has a vital interest that this role will be preserved or even strengthened since the IAIS is essential in order to incorporate the insurance perspective in the global debate and prevent regulatory measures tailored to different financial sectors to be applied to insurers. Therefore, we basically support the IAIS' efforts to enhance the efficiency of its work streams both by organisational and procedural measures. However, these efforts must be carefully weighed against the enduring capacity to meet its challenging goals in the future. Increased efficiency and effectiveness are not valuable goals if they - in particular with regard to the necessary interaction with Observers - result in less transparent and less balanced procedures.	

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Institute of International Finance - IIF	Int'l	No	The consultation paper indicates that the chair of a Committee or Subcommittee has discretion to invite stakeholders, while "avoiding the perception that any one individual or group is favoured over another". It is also noted that dialogues and/or hearings may be held with "qualified experts". Our view is that by default, effective participation of all stakeholders in such meetings should be allowed, unless there is compelling rationale for inviting only specific stakeholders or experts. We therefore propose the following areas where clarifications are needed: - The rationale for restricting participation to specific "stakeholders" and "qualified experts" should be stated in writing. A reasonable and impartial process should be outlined in this regard. - "Stakeholders" and "qualified experts" should be defined with clear criteria regarding their qualifications and reasons for being invited. - The basis for determining which guests to invite/admit to meetings should be outlined - IAIS should publicly document and disclose who has been invited, and what their input has been.	See amended section on inviting guests
The General Insurance Association of Japan	Japan	No	According to the consultation paper, the Chair of a Committee or Subcommittee (WG/TF) has the discretion to invite and admit guests (non-members of the Committee or Subcommittee, or non-Members) to meetings. We are concerned about the possibility that this discretion could result in disproportionately inviting guests who belong to specific companies or specific regions. Therefore, guests should be selected from a wide range of stakeholders so as not to cause any geographical and/or business line bias.	See amended section on invited guests
The Life Insurance Association of Japan	Japan	No	We, The Life Insurance Association of Japan (LIAJ), would like to extend our gratitude to the IAIS for providing us with an opportunity to submit our comments on this document. We also would like to express our respect to the IAIS for its efforts in developing international supervisory regulations. We understand that this document is designed to increase the effectiveness of the IAIS, and would like to support the efforts of the IAIS in this regard. We acknowledge the efforts of the IAIS to maintain stakeholder engagement while reducing opportunities for stakeholder input, by holding public sessions with its Executive Committee, increasing public dialogues/hearings at the Committee level, publishing public background notes and conducting conference calls at certain stages of policy development. However, it should be noted that attendance at meetings as Observers has been instrumental up until now in ensuring that stakeholders are aware of the IAIS's thinking and intentions, not just in delivering their input. In order to facilitate stakeholders' understanding on the background of each public consultation and to enable stakeholders to provide effective input at the time of formal consultation, we would encourage the IAIS at a minimum to allow stakeholders to observe meetings without giving permission to make comments. Also, it would be worth	

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			considering conducting a webcast for meetings, in a similar way that other international organizations (e.g. IASB) currently do. Under the existing procedure, the IAIS provides Observers with opportunities to submit their input during the drafting process so that Observers can express their concerns in advance of formal consultation such as on overall direction of the project, impacts of the project on the life insurance business and the whole economy, specific matters of each jurisdiction and any other technical issues. We are afraid that if the IAIS does not recognize and reflect those concerns in draft materials prior to public consultation, this may cause confusion for stakeholders and undermine its efficiency. For this reason, we would like the IAIS to ensure the frequent engagement with stakeholders by soliciting their input and giving feedback to them in the drafting process in advance of public consultation. Considering the concerns above, we acknowledge that stakeholders will be invited to meetings such as Committee Meetings at the discretion of the Chairs to solicit stakeholder input. However, we have a concern that the opportunities for stakeholder input would be limited to certain circumstances, such as "when specific, technical input is required on an issue" or "to receive an explanation of practices and developments within the industry or certain regions or jurisdictions" as listed in this document. Taking into account the diversity among the insurance industry throughout the jurisdictions, we would request that the Chairs seek to receive a wider range of input from various stakeholders in order to deal with various concerns among jurisdictions. When determining particularly whether, when and whom to invite, we believe that the IAIS should take into account the requests made by the IAIS Members and stakeholders, rather than determining it only at the discretion of the Chairs. We believe that events open for non-members (i.e. stakeholders) in the Annual Conference should be continuously held as a platform to exchange information and interact among IAIS Members and stakeholders. Additionally, it would be efficient to hold Executive Committee sessions jointly with other meetings open for stakeholders, to the extent possible.	See amendments to section on inviting guests
Association of British Insurers (ABI)	UK	No	Ability to attend meetings - Stakeholders would not be able to draw the IAIS' attention to any red flags if they are unable to follow the direction of policy discussions. This would also limit their ability to provide technical or targeted input. As such, we believe that meetings should be open to stakeholders unless they fall into one of the examples of instances where they should be closed, as detailed on page 6. - In this context, we would like to highlight the constructive nature of Observers' contributions to	

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			Committee and Subcommittee meetings to date. We are not aware of any instances where the efficiency of IAIS meetings has suffered as a result of Observers' presence. - If meetings are not open as a starting point, we support the proposal that the Chair of a Committee or Subcommittee should have the discretion to invite and admit guests to meetings. - In the list of situations where it would be appropriate to invite a guest, industry groups and representatives should be mentioned alongside consumer groups or representatives as guests that can engage on relevant issues (page 6). - While we would encourage for as many meetings to be open as possible, we understand that some meetings need to be closed. As such, we note this is already current practice, including for the key Financial Stability and Technical Committees. Meeting organisation - We are happy to note that invitations to meetings will be issued in a transparent and objective manner. We would be interested in further information as to the process through which the IAIS will identify invitees, and whether invitations can be requested or would be only initiated by the IAIS. - We suggest that it should be announced in advance whether a meeting is open and/or invitations are available for logistical purposes. - We hope the IAIS would publish an agenda in advance, containing sufficient information for stakeholders to be able to determine whether, who and how should participate in open and invitation meetings. - The IAIS website could be helpful in ensuring that the invitation-issuing process is transparent. In this regard, the IAIS website could also be used as a communication tool to further transparency in a number of ways, for example through the publication of materials submitted or considered by the various committees (provided these are not sensitive or confidential).	See amendments to section on inviting guests To be discussed Agreed
NAIC Consumer Representatives	USA	No	Prior to section 1 is the Glossary of Common Terms. The term "Stakeholder" should be defined to ensure all IAIS Members have a common understanding of the term. Stakeholder should be broadly defined as any person or entity potentially affected by the activities of the IAIS.	Agreed and added

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			The proposed draft states: The Chair of a Committee or Subcommittee has the discretion to invite and admit guests (e.g. non-members of the Committee or Subcommittee or non-Members) to a meeting. In inviting guests, the Chair should: - Exercise his or her discretion in an objective and transparent manner. - Avoid the perception that any one individual or group is favoured over another. - Invite guests only to the part(s) of a meeting where his or her specific input is required. - Provide members of the Committee or Subcommittee with sufficient opportunity to discuss issues amongst themselves. Situations in which it would be appropriate to invite a guest include: - When specific, technical input is required on an issue. - To solicit targeted feedback on an issue or proposal. - To receive an explanation of practices and developments within the industry or certain regions or jurisdictions. - To engage with consumer groups or representatives and other stakeholders on relevant issues. Comments: 1. It is contradictory for the Chair of a Committee or Subcommittee to exercise discretion in the invitation of guests in a transparent manner. The decision to invite guests should be broadened to the entire Committee or Subcommittee and there should be requirements to invite a range of interests and perspectives, including consumer interests. It is not enough to avoid the perception that one individual or group is favoured over another; procedures should be in place to ensure a broad spectrum of perspectives. This will require an initiative by the IAIS to establish a formal consumer participation program. 2. The proposed process is cumbersome and inefficient. Instead of allowing meetings to be open by default, there is a process in which some stakeholders are invited, but only to that part of the meeting where his or her specific input is required. It makes more sense to allow interested parties to offer input as they deem relevant, subject to oversight by the Chair. 3. We agree that Committee and Subcommittee members should have sufficient time to discuss issues among themselves, but disagree that all such discussions should be in closed meetings. If the committee is discussing an issue of policy with general applicability, there is no basis for excluding members of the public from viewing such discussion. 4. The list of situations in which it would be appropriate to invite a guest indicates the need for training of Committee and Subcommittee leadership in public participation to, for example, ensure that "technical input" does not exclude consumer interests and that "explanation of practices and developments"	See amendments to section on inviting guests Agree to discuss with consumer representatives how best to engage

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			includes actual consumer experience and to ensure that engaging on "relevant issues" is understood in broad terms. Again, these problematic issues could be largely avoided with open meetings, a formal consumer participation program and training for committee leadership in how to run meetings effectively and efficiently.	
The Fullilove Consulting Group	USA	No	I would suggest that a public call for speakers with specific expertise be posted as part of the process of inviting technical experts to working groups. This would allow stakeholder to express their interest in speaking before a decision is made as to whom to invite.	See amendments to section on inviting guests; concept added to public dialogue section
National Association of Mutual Insurance Companies	USA	No	The improved performance and enhanced credibility of the IAIS is a critical reason for the proposed changes to procedures. Notwithstanding these goals, some of the concepts set forth in this section will necessarily raise questions about the IAIS. The lack of a guarantee that IAIS members who are not on committees can attend meetings could create the potential appearance of impropriety. Since stakeholders will not be allowed to attend most meetings, the only potential attendees that will understand a stakeholder's regulatory system are the IAIS members from their home country. Under the proposed Draft Procedures, in the event these members are not serving on all committees and subcommittees there will be no representation of the stakeholder's issues and concerns. NAMIC proposes that the reasons for closing meetings from attendance by non-committee members be very limited. Another aspect of the Draft Procedures that raises questions about impropriety is the ability for a chair to invite selected "guests" to meetings. The selective inclusion of "guests" to participate in committee meetings on technical issues will necessarily mean that isolated views will be represented while others will not be heard by members attempting to make decisions on the direction of global standards. We assert that unless all stakeholders are free to participate there will be no way to, "Avoid the perception that any one individual or group is favoured over another." Regardless of the intention and even the actuality of the situation, an appearance of impropriety will damage the credibility of the organization. We propose that this is a critical reason meetings should remain open to stakeholders.	Members who are not on a Committee/Subcommittee have the right to attend meetings in all but limited circumstances (e.g. personnel matters, voting, litigation)
Ann Henstrand & Morag Fullilove	US and EU	No	A public call for speakers with specific expertise should be part of the process for inviting experts to working group meetings. Interested stakeholders could then publicly express interest in speaking before a decision is made as to whom to invite. The IAIS should also ensure that the annual conference and other education seminars remain open to observer participation.	See amendments to section on inviting guests

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			Subject matter experts invited to participate on any given workstream should be present or have telephonic access to presentations by other invitees, in order to best prepare their remarks with awareness of the rationale and fact patterns provided by others. This is of particular importance when invited experts' experience and professional backgrounds arise from differing business and legal environments.	
American Council of Life Insurers	USA	No	Comments: Modifications Suggested While we understand there may be situations where confidential or highly sensitive information may necessitate the closure of meetings, we cannot see why administrative matters such as budget or contractual issues would necessitate legitimate closure of meetings. Additionally, this provision would seem to create a conflict for IAIS Members who are subject to jurisdictional oversight by legislative bodies. When the Chair of a committee invites an interested party to a meeting in order to provide expert input, the meeting should, by default, be open to all interested parties. A written rationale should be provided for any closure of such meetings. In the absence of such procedures, the IAIS will create perceptions that certain groups, organizations, or jurisdictions are favored. Eventually, this could impact the credibility and viability of the IAIS.	See amendments to section on inviting guests
American Insurance Association	USA	No	While it is difficult to address problems in the current system when those problems have not been identified or explained, if a concern is that the time allotted to stakeholders in meetings is too great then it seems likely that alternatives to barring stakeholders entirely could be developed. For instance, the number of comments from stakeholders or the length of time dedicated to stakeholder discussion could be set. While this system clearly would be imperfect since it would limit the number and diversity of stakeholder viewpoints that could be shared at a meeting, it would offer some transparency by continuing to allow stakeholders to be present at regular meetings. Such a system would be preferable to the across-the-board elimination of stakeholder attendance envisioned in the current consultation document.	
CNA	USA	No	CNA agrees that there are certain situations in which it is appropriate to close meetings to non-members, for instance when confidential, company specific information is being discussed; however, this should be the exception, not the norm. We believe the standard approach should be that Committee and Subcommittee meetings are open to non-members unless otherwise determined by the IAIS, with the reasons for such determination being made publicly available. Furthermore, we acknowledge the Chair of a Committee or Subcommittee has the discretion to invite non-members to part(s) of a meeting where his or her specific input is required. In inviting said guests, it is stated that the Chair should "avoid the	See amendments to section

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			perception that any one individual or group is favored over another". We believe that objective is unattainable when limiting participation to one or a select few groups. CNA is not supportive of an approach which provides limited perspective and could create an undue bias toward the view of an individual or select few companies.	on inviting guests
NAIC	USA	No	Third paragraph - while it should ultimately be up to the Chair to invite and admit guests, deciding who to invite should involve the Vice Chair, Secretariat support staff and members. Suggest adding to the first bullet, "Consult with the Vice Chair, Secretariat support staff and members on who to invite and exercise his or her discretion in an objective and transparent manner." Fourth paragraph, last bullet - suggest revising to be more inclusive yet capture the point: "to engage with specific types of stakeholders, such as consumer representatives, on relevant issues."	See amendments to section on inviting guests
Property Casualty Insurers Association of America	USA	No	The fundamental flaw is the rule, as noted above, that meetings will be closed to stakeholders and that "guests" may be invited in. The combination of closed meetings and the ability to invite handpicked "guests" creates a dangerous combination that will undercut the credibility of IAIS as it invites a competition for insider influence and creates a danger of favoritism. In turn, outcomes may be skewed to favor the "guests" thereby creating unlevel playing fields, adding to consumer costs and even constricting competition. Unfortunately, the discretion given the chairs does not remedy the above issue, and indeed creates the need for more rules as to how that discretion can be used. In addition, verbatim minutes of meetings will need to be kept and notices about the admission of guests will need to be provided, along with equal time for dissenting parties. These rules would not be necessary if the meetings were open except for narrowly defined reasons such as personnel, administrative or information sensitivity reasons.	See amendments to section on inviting guests
Reinsurance Association of America	USA	No	The Draft Procedures exclude non-Members from all meetings unless specifically invited at the direction of the chair of a Committee or Subcommittee. Historically, participation in IAIS meetings has been a primary mechanism for industry to track developments and provide input into various workstreams. Although the Draft Procedures stated intention is to increase efficiency, significantly curtailing Observer access and participation may actually make the process longer and more cumbersome, as industry stakeholders will no longer have an established procedure for obtaining current information, leading to ad hoc and piecemeal contact with IAIS staff and supervisors. The proposed distribution of information outlined in Section III.5 (website, monthly newsletter, summary records of meetings) is insufficient to keep stakeholders apprised of developments that can occur in a compressed time frame, particularly for critical issues, such as the development of capital standards. They are also insufficiently detailed to allow for a thorough understanding of the policy development process. We, therefore, urge the IAIS to reconsider its	

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			decision to close meetings except to invited participants. If the IAIS proceeds with reducing these channels of communication and participation, it will be critical to establish procedures for the timely provision of detailed minutes of Committee Meetings and Working Group/Task Force meetings, including the identity of speakers and making available any documents or supporting materials discussed. Furthermore, if the concern is about the efficiency of having industry in the room, we would request that the IAIS allow industry stakeholders to watch and listen to meetings through webcasts, so that they can understand the direction and thinking of a particular Working Group or Task Force on a real time basis. We also urge additional structure and clarity with respect to the discretion of a Chair of a Committee or Subcommittee to invite "guests" to participate. While the Draft Procedures call for transparency, additional guidance is needed to ensure that appropriate representation of all relevant viewpoints is achieved on specific points to ensure the best work product and to avoid the appearance of favoritism or an unlevel playing field. At a minimum, the Draft Procedures should be modified to ensure transparency regarding the process for inviting guests, what those guests will be discussing and a sufficiently detailed public report of the meeting (including documents discussed at the meeting). The Draft Procedures should also include a mandate that all appropriate views of relevant stakeholders are adequately represented in the drafting processes.	Appropriate public record of proceedings will be made available See amendments to section on inviting guests
Comments on Section II				
The Fullilove Consulting Group	USA	No	IAIS standards have the effect of law in many countries because of the FSAP process. Given that the ICPs, ComFrame, and future capital standards will have on FSAPs, the default position should remain adoption of these at the Annual General Meeting rather than by ExCo. ExCo should only act on these standards in limited time critical situations.	The By-Laws set out this procedure and, in practice, ICPs are typically adopted by General Meeting
American Council of Life Insurers	USA	No	Comments: Modifications Suggested Because IAIS Supervisory, Supporting and Other materials are intended by G20 leaders to inform jurisdictional statute, regulation and supervision, the development and approval of all IAIS materials demands and is of great interest to a wide variety of stake holders, both those with international interests and those focused on specific jurisdictions. Importantly, as the IAIS is composed of jurisdictional supervisors acting in an official representative capacity, we believe further consideration should be given to the respective IAIS Members' jurisdictional statutory transparency and public consultation requirements to ensure the new proposed "Draft Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders" does not violate any of their jurisdictional obligations and	As an Association formed under Swiss law it is unclear how a Member's obligations could be violated by IAIS procedures, and no

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			subject them to criticism and prosecution which would, in turn, negatively impact the international standing of the IAIS. Our experience has shown that because of the large volume of IAIS work, staff resource limitations, and the need for many member drafters to work in English instead of their first language, draft supervisory material, application guidance and issues papers have benefited greatly from Observer review and factual correction. Likewise, we believe that issue papers providing examples and representing circumstances in national and other jurisdictions as well as showing and the effects of practical application of principles and standards deserve stakeholder review and independent factual confirmation. Other material, as indicated in the consultation document such as reports, surveys, letters and responses to other international organizations, also can be tremendously influential in subsequent standard and issue papers, and we would urge due consideration of the following: Principles of material development: - Any IAIS material should include the following: - A clear scope of the project; - A clear expectation of the outcome desired from the project; - A clear explanation of any limitations or qualifications on the project; and - A clear statement of the scope of the drafters or the bodies consulted in the development of the paper and its method of approval. As in any process the natural tendency is to build upon what has already been agreed, which is why we believe that no work product from the IAIS which includes the IAIS logo is unimportant. We would thus urge the IAIS to commission an independent organizational governance expert to conduct an analysis of the IAIS "Draft Procedures on Meeting Participation and the Development of Supervisory and Supporting Material and Draft Policy for Consultation of Stakeholders" against the "OECD Best Practice Principles for Regulatory Policy The Governance of Regulators" (2014). Specifically pages 93-94 states that: "Whatever mechanisms are used, engagement with key stake holders should be institutionally structured to produce concrete, practical opportunities for dialogue based on achieving active participation and, where possible, exchange of empirical data, rather than on a desire to achieve consensus."	Members have raised such issues. See amendments to list of elements to be included public background note. The IAIS has and will continue to look at other organisations to inform its decisions, but does not believe that an independent expert needs to be retained as suggested.

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			"The aim should be better informed, timely decision-making, underpinned by processes that build confidence that decisions are cognizant of the impacts on all affected parties. This is more likely to be achieved if there are structured consultation mechanisms that include a genuine invitation from regulators for comments from market participants and other stake holders and appropriate consideration of the comments that have been received." URL: http://www.oecd-ilibrary.org/docserver/download/4214061e.pdf?expires=1407808517&id=id&accname=guest&checksum=B872FF54999A3DF8FC62BF7D5BE82BB3 Also (See attached file: Governance of Regulators 4214061e.pdf): "RECOMMENDATION OF THE COUNCIL ON REGULATORY POLICY AND GOVERNANCE, 2012" Page 4: "Adhere to principles of open government, including transparency and participation in the regulatory process to ensure that regulation serves the public interest and is informed by the legitimate needs of those interested in and affected by regulation." This includes: "Providing meaningful opportunities (including online) for the public to contribute to the process of preparing draft regulatory proposals and to the quality of the supporting analysis." Governments should ensure that regulations are comprehensible and clear and that parties can easily understand their rights and obligations." URL: http://www.oecd.org/gov/regulatory-policy/49990817.pdf	
Comments on Section II.A.1				
American Council of Life Insurers	USA	No	Comments: Agree	
Comments on Section II.A.2				
American Council of Life Insurers	USA	No	Comments: Agree	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
Comments on Section II.A.3				
Institute of International Finance - IIF	Int'l	No	A. Supervisory and Supporting and other Materials 3. Other material It is not clear from the paper whether it is the IAIS' intention that such material be made publicly available. Unless there is a compelling reason on a case-by-case basis that it should not, our view would be that the default selection should to allow such material to be publicly accessible	See amendments below section introducing other material
Association of British Insurers (ABI)	UK	No	It is not clear from the paper whether it is the IAIS' intention that such material be made publically available. Unless there is a compelling reason on a case-by-case basis that it should not, our view would be that the default selection should be that such material is publically accessible.	See prior response
American Council of Life Insurers	USA	No	Comments: Agree	
Comments on Section II.B				
World Federation of Insurance Intermediaries	Belgium	No	The reorganisation proposal of the IAIS foresees in a consultation period of at least 60 days for the consultation of supervisory material and at least 30 days for the consultation of supporting material. We believe that, considering the international context, this consultation period is too short and it should be in both cases at least 60 days. Stakeholders are confronted with extensive supervisory or supporting material which has reached already its final drafting stage. Studying these often extensive material and consulting the stakeholders' members is impossible in a period of 30 days. In order to be able to deliver the best possible input any consultation period should therefore be extended to at least 60 days. The timeline of 14 calendar days of notice for conference calls is also too short. In order to prepare these calls, studying and consulting the stakeholders' members is necessary and this takes time. A 30 calendar days of notice seems to us to be at least the minimum.	See prior response See prior response
Association of Bermuda Insurers and	Ber.	No	We ask the IAIS to review its proposed timeframes for public consultation and the posting of final draft material. Allowing more time to review material is now suddenly crucial if public consultations are generally limited to one window and are combined with the other proposals to restrict stakeholder	See prior response

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Reinsurers			consultation in the early development of supervisory and supporting material. On the latter point, we think IAIS members and stakeholders would benefit from a two-way consultation process activated from the beginning and not simply deployed mid-stream, at an undefined time, when presumably the consultation material will be at a relatively advanced stage of preparation. For example, stakeholder participation and involvement will be a critical input in aiding the IAIS develop a global insurance capital standard (ICS). Also, we see longer public consultation periods as being consistent with the proposed changes to create a more democratic field for stakeholders. Moreover, doing so is not only likely to increase the quality of stakeholder feedback, as well as the number of stakeholders who are able to take part, but also work to improve buy-in in the implementation phase of supervisory or supporting material. The proposal for "in principle" consultation periods of 60 days for supervisory material and 30 days for supporting material should be extended by 30 days. Supervisory material should be given 90 day comment periods and supporting material should be given 60 day periods. We ask that the IAIS also consider extending the time between the posting of final draft material and its adoption past the proposed 14 days, which we feel is unnecessarily short. For example, the US Administrative Procedure Act allows for a public posting period of 30 days before the effective date of a rule.	
Association of Mutual Insurers and Insurance Cooperatives	EU	No	iv - Public consultation We share the concern that if the minimum number of public consultations is indeed set at one, this consultation would more likely be timed late in the drafting process. We would see clear benefits for the quality of the work of the IAIS of an involvement of stakeholders already during the development phase (iii) of material; this involvement, if governed by appropriate process rules, need no way be seen as delaying or unduly influencing the IAIS' own procedures and timelines. v - Public background sessions We welcome the continuing commitment of the IAIS to be transparent and to inform stakeholders about its planned policy-making activities. In the description of the purposes of background sessions, we see an exclusive focus on providing one-directional information from the IAIS to the stakeholders (provide/outline/describe). We would suggest that already in the background session, the IAIS also switches into "listening/discussion mode" and includes receiving feedback and allowing for engagement in the purposes of the background meetings (as in subsection vii). With regard to all sessions (background, comments, information, ...) we strongly encourage the IAIS to	The procedures allow early engagement of stakeholders as appropriate – see text after Section V.B.xi Receiving input added as purpose of public background session. Other means of holding

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			use and encourage the of all modern technical means available. (Acoustic only) conference calls are not any more state of the art; visual formats can contribute greatly to a meaningful "eye-level" exchange. Internet and PC-based solutions make expensive equipment unnecessary and allow, moreover, constructive work on the basis of shared presentations and documents. we encourage the IAIS to invest in such technology and also to invite members hosting meetings to make respective efforts. We very much welcome the commitment to make public all comments received during consultation (unless otherwise requested). vi - Resolution For clarity's purpose we suggest to use consistent terms in the procedures paper: it seems not completely clear to us whether "responses" refers to a form of comments by stakeholders (like "comments") or to resolutions by the IAIS. vii - Public discussion Partially depending on the technical solutions for distant participation, we suggest considering more than one physical meeting, but rather one per geographical zone. There are evident benefits of physical presence at such a meeting and these should be made available to as many stakeholders as reasonably possible, keeping logistics efforts and costs and thus lowering the threshold for stakeholder engagement. In letter e of the list of purposes of the public session (as in a letter e as suggested for subsection v), we suggest adding IAIS secretariat staff in the circle of participants in and beneficiaries from direct engagement.	virtual meetings being explored. "the IAIS" added before responses to clarify The procedures allow for more than one call/meeting to discuss the comments as appropriate.
Gesamtverband der Deutschen Versicherungswirtschaft	Ger.	No	The following comments also include Sections II. C. and II. D. which are missing in this online tool. We would appreciate if details of the new Strategic Plan for 2015-2019 are shared and consulted with Observers as soon as possible. With regard to the overall project of increasing the IAIS' efficiency, we also refer to our comments submitted in November 2013. In terms of improving the process of obtaining and the quality of stakeholder input subject to this consultation, we disagree with the decision that Observers would no longer generally participate in meetings at working level. It is important that technical feedback from Observers is received at an early stage of a project. We have doubts whether an increased frequency of participation in Executive Committee sessions and other Committee-level hearings or access to background documents could compensate for the input missed before.	

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			We welcome the admission that the IAIS has greatly benefited from Observer contributions in the past. However, the commitment of continuous consultation is explicitly not related to Observers. It is even more confusing, that the IAIS seems to consider abandoning the Observer status from 2015 on. This is clearly at odds with the commitment to widely consult on its draft work products to ensure the best possible outcomes. Given the increased responsibilities and mandates attributed to the IAIS and the massive impact of its work on the global insurance industry, it is paramount that Observer input will be also sought in the future. Moreover, we are very surprised to take note of the Consumer Representative Observer program obviously instituted in 2013 to promote Observer-level status at the IAIS for consumer representatives with a waiver of the related annual fee. There was not any indication of such an intention mentioned in the IAIS-Memorandum on increasing the association's efficiency dated October 11, 2013. The same applies - as apparent - to the minutes of the Executive Committee recently released in the IAIS-intranet. We strongly urge the IAIS to ensure full transparency on this program. Creating different tiers of Observers is clearly an issue that needs to be discussed on a broad basis.	Consultations would be with all stakeholders, which include all Observers. The Consumer Representative Observer program was publicly announced and promoted
Institute of International Finance - IIF	Int'l	No	B. Developments and approval of supervisory and supporting material The process for developing supervisory and supporting material ii. Public background note In addition to the identification of the reason(s) the Association is pursuing the project and the issue it intends to address; the note should clearly identify and document the following: - An assessment of the costs and benefits to ensure that any burden imposed is proportionate to the benefits expected to result from the change - Consideration of principles of good regulation, for example: - o The desirability to sustain economic growth and long term investment - o The general principle that consumers should take responsibility for their decisions - o Compatibility of proposals with the legal responsibilities of boards of directors and the responsibilities of senior management - o Transparency in regulatory activities/process - Consideration of whether implementation is within the remit of national supervisors, or whether legislative change may be required at a national level	The public background note should be informative, but the requested analysis may be impracticable or unavailable, especially at the time a project is initiated.

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			- Consideration of how the likely incentives created by developments at a micro prudential level may play out at a macro prudential level - Identify which stakeholder groups are most impacted by the proposals iv. Public consultation We welcome the commitment to publicly consult as part of the IAIS policy and procedures. However, under the proposals, public consultation will take place only after draft proposals are developed, too late to meaningfully take stakeholders' views and expertise into account. To ensure that stakeholders have an opportunity for meaningful engagement in the process, we view it as important for stakeholders to have at minimum one opportunity to review interim drafts, at a stage when outlines take shape and key issues have been identified. In addition, we consider that a longer period should be given for responses unless there are compelling reasons for a shorter period on a case by case basis (for example the need to meet an external deadline). Therefore we would propose that the default consultation period should be: - 90 days for supervisory material; and - 60 days for supporting material We also believe that the IAIS should explicitly make provision for interested parties to choose, if they so wish, to respond on a confidential basis. Where consultation responses are submitted confidentially, the IAIS should confirm that their content will remain confidential. vii. Public discussion of comments and resolution We welcome the commitment to organize a public session to discuss comments and responses. We consider that the timing of these public sessions should be considered as part of the project plan and therefore it should be possible to give notice of the details of the public session within the public consultation paper to allow firms to plan accordingly (rather than the two week notice referred to in the paper). x. Final draft posted on public website; Executive Committee approval/endorsement; General Meeting approval We welcome the commitment to post final drafts of supervisory and supporting material on the IAIS	The procedures allow early engagement of stakeholders as appropriate – see text after Section V.B.xi See prior response The procedures require the project plan to address each step of the process, including this session.

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			website before their final approval, and would ask that the documentation include a summary of the main issues raised and how they have been addressed. v. Public background session; vii. Public discussion of comments and resolution For both public background session and public discussion of comments and resolution, the consultation paper indicated that "In all but exceptional circumstances, the session should be conducted as a conference call, or include a conference call option". Considering the complexity of the issues to be discussed in these two sessions, we believe in-person meetings should be the default arrangement, with conference calls as an alternative option, and not vice versa.	To be discussed Complex issues, such as capital standard and ComFrame development, will likely continue to be addressed through in-person meetings, while less-complex issues, which arguably account for more projects by number, need not (but can) be addressed in-person.
The General Insurance Association of Japan	Japan	No	We appreciate the IAIS clearly stating in the consultation paper that "The IAIS has benefited greatly from the contributions of Observers and other stakeholders to its work in standard setting, standard implementation and financial stability". As mentioned, we also recognize that observers' contributions are one of the factors that have enabled the IAIS to achieve appropriate results in standard setting, standard implementation and financial stability, reflecting insurance business practices. Therefore, we would like to ask the IAIS to maintain good communication with stakeholders after the (possible) discontinuation of Observer status. After the (possible) discontinuation of Observer status, we will not be allowed in principle to participate in Committee Meetings and WG/TF. This means that meeting documents and other materials published on the IAIS website will be even more important for us. It is prescribed in the consultation paper that the IAIS is to provide Summary Records of meetings. However, given that it might be difficult for some stakeholders to fully participate in face-to-face meetings and teleconferences due to geographical distances and time differences, such Summary Records should be as detailed as possible. Especially for background sessions, the IAIS should provide stakeholders with detailed meeting minutes and materials related to public discussion of comments and resolution, with appropriate timing. (Ex. Public background session minutes should be distributed to stakeholders before public discussion of comments and resolution.) Also, it would be appreciated if the IAIS could provide stakeholders with as many meeting materials as possible.	Appropriate public record of proceedings will be made available

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The Life Insurance Association of Japan	Japan	No	Under the existing procedure, the IAIS provides Observers with opportunities to submit their input during the drafting process so that Observers can express their concerns in advance of formal consultation such as on overall direction of the project, impacts of the project on the life insurance business and the whole economy, specific matters of each jurisdiction and any other technical issues. We are afraid that if the IAIS does not recognize and reflect those concerns in draft materials prior to public consultation, this may cause confusion for stakeholders and undermine its efficiency. For this reason, we would like the IAIS to ensure the frequent engagement with stakeholders by soliciting their input and giving feedback to them in the drafting process in advance of public consultation. Considering the concerns above, we acknowledge that stakeholders will be invited to meetings such as Committee Meetings at the discretion of the Chairs to solicit stakeholder input. However, we have a concern that the opportunities for stakeholder input would be limited to certain circumstances, such as "when specific, technical input is required on an issue" or "to receive an explanation of practices and developments within the industry or certain regions or jurisdictions" as listed in this document. Taking into account the diversity among the insurance industry throughout the jurisdictions, we would request that the Chairs seek to receive a wider range of input from various stakeholders in order to deal with various concerns among jurisdictions. When determining particularly whether, when and whom to invite, we believe that the IAIS should take into account the requests made by the IAIS Members and stakeholders, rather than determining it only at the discretion of the Chairs. We believe that the consultation period of 30 days for supporting material would be not sufficient and impose heavy burdens on stakeholders whose working language is not English, as we need much time to carefully read up the material and gain sufficient understanding including background information. Under the existing procedure which allows Observers to obtain draft materials discussed at Committee/Subcommittee Meetings, while we follow the drafting process and prepare for the coming public consultation in advance by examining those drafting materials, we still feel sometimes that it is very difficult to respond to the public consultation within the specified period. To reflect various input from a wider range of jurisdictions including non-English-speaking countries, we would request that the IAIS consider a longer consultation period for supporting materials, extending it to at least 60 days.	The procedures allow early and on-going engagement of stakeholders as appropriate – see text after Section V.B.xi See amendments to section on inviting guests See prior response
Association of British Insurers (ABI)	UK	No	Public background note: - In addition to the identification of the reason(s) the IAIS is pursuing the project and the issue it intends to address, the note should clearly identify and document the following: - o An assessment of the costs and benefits to ensure that any burden imposed is proportionate to the benefits expected to result from the change;	See prior response

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			o Consideration of principles of good regulation, for example: 1. The desirability to sustain economic growth and long term investment. 2. The general principle that consumers should take responsibility for their decisions. 3. Compatibility of proposals with the legal responsibilities of Boards of Directors and the responsibilities of senior management 4. Transparency in regulatory activities/process - Consideration of whether implementation is within the remit of national supervisors, or whether legislative change may be required at a national level; - Consideration of how the likely incentives created by developments at a micro-prudential level may play out at a macro-prudential level; - Identify which stakeholder groups are most impacted by the proposals. Public consultation - We welcome the commitment to publically consult as part of the IAIS policy and procedures. However, we consider that a longer period should be given for responses unless there are compelling reasons for a shorter period on a case-by-case basis (for example, the need to meet an external deadline). - Therefore, we would propose that the standardised consultation period should be: - o 90 days for supervisory material; and - o 60 days for supporting material. - We also believe that the IAIS should explicitly make provision for interested parties to choose, if they so wish, to respond on a confidential basis. Where consultation responses are submitted confidentially, the IAIS should confirm that their content will remain confidential. Public discussion of comments and resolution - We welcome the commitment to organise a public session to discuss comments and responses. We consider that the timing of these public sessions should be considered as part of the project plan and therefore it should be possible to give notice of the details of the public session within the public consultation paper to allow firms to plan accordingly (rather than the two week notice referred to in the	See prior response Agree and already practice in place The procedures require the project plan to address each step of the process, including this session.

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			paper). Adopted paper posted on public website; note to the General Meeting - We welcome the commitment to post final drafts of supervisory and supporting material on the IAIS web site before their final approval, and would ask that the documentation include a summary of the main issues raised and how they have been addressed.	See prior response
Financial Conduct Authority (FCA)	UK	No	The rationale behind the posting on the public website of a proposed draft before adoption/ endorsement (II.B.x) is not clear. This is not to suggest that final versions of relevant material should not be publicly available. Rather the benefits to be derived from what looks like an unnecessary additional step in the consultation ladder are not obvious, while there is the risk of cutting into the time available for the other stages of the procedure, including redrafting in the light of comments received.	The purpose is to provide public notice of final draft of certain material before it is finally adopted and to further set 14 day deadline for such material to be made available to Members before it is approved/ endorsed in order to provide sufficient notice.
NAIC Consumer Representatives	USA	No	1. The process for development of supervisory and supporting materials should start with a public consultation before a proposal is submitted to the Executive Committee. As currently proposed, the first time interested parties will have to comment on a new IAIS initiative is only after the initiative has been formulated and prescribed by the Executive Committee. New initiatives would be better formulated if interested parties were able to weigh in at the design stage to ensure that the issue to be work on was fully described and all relevant issues identified. 2. Item vii calls for public discussion of comments and resolution, including receiving feedback on work completed to date and future work planned and engagement between Members and stakeholders on relevant topics. As formulated, this public discussion is part of the single required public consultation in the entire development of the materials and, for any work product of even modest complexity and/or with disputed issues, would be a very lengthy event. Consider the time required to carry out the five items in vii a through e. Does the IAIS expect this to normally be a full day event? By consolidating stakeholder consultation into one request/event, the IAIS is likely creating an inefficient method of obtaining stakeholder input. 3. Item viii calls for subsequent public consultations as necessary. First, public consultations should be permitted prior to the issuance of a formal draft as set out in item vii if such consultations will promote a	The procedures allow stakeholders to be engaged before a project plan is submitted to the Executive Committee as appropriate – see text after Section V.B.xi It is anticipated that the time required for these sessions will vary based on the issues involved, but the IAIS is committed to allowing sufficient time to adequately discuss the issues. Subsequent consultations would be approved by the

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			more efficient identification and discussion of issues. Second, no guidance is provided as if and when subsequent consultations are likely to be necessary or who decides whether such additional consultations are necessary. Is it at the discretion of the Committee Chair? Does any request for subsequent consultation require approval of the Executive Committee as set out for the consultation in item vii? 4. The second to last paragraph of this section states: The process set forth above does not limit or prohibit a Committee/Subcommittee from: - Getting input from Members and other stakeholders prior to submission of a project plan to the Executive Committee. - Holding additional public sessions to gather input or disseminate information as necessary. - Inviting technical input or feedback, either publicly or from selected stakeholders, at any time through means such as questionnaires, surveys or other requests for input. - Inviting subject matter experts to Committee/Subcommittee meetings to provide input on the development of matters as necessary. As discussed above, the first bullet - to obtain input from stakeholders prior to submission of a project plan to ExCo - should be a requirement and not an option. For all these points, the procedures should specify that consumer interests should be included as part of "technical" or other input, that input should be sought from a broad range of interests, including consumer interests and that subject matter experts include consumer interests both as analysts of regulatory issues and as consumers experiencing the marketplace impacts. Again, these problematic issues could be largely avoided with open meetings, a formal consumer participation program and training for committee leadership in how to run meetings effectively and efficiently.	Executive Committee as they would be part of the project plan (as originally submitted or updated if necessary) See amendments to this section.
The Fullilove Consulting Group	USA	No	This paragraph says that the public discussion should be generally be conducted as a conference call or include a conference call option. The option of a conference call, but given that these consultations may be the only chance for dialogue on the proposals generally a face-to-face session is preferred. If the sessions are to be in-person meetings more than 2 weeks notice should be provided.	In-person meetings will be arranged when appropriate to address more complex issues, such as ComFrame and capital standards
National Association of Mutual Insurance Companies	USA	No	NAMIC supports the decision to open the process to all interested stakeholders; we support the elimination of the observer fees; we support the decision to make public all materials, consultations, meeting summaries, etc.; and we support the creation of a more defined set of procedures for the development of ICPs, Guidance, Issue Papers and Application Papers. At the same time we assert that certain proposed changes will constrain efficiency, will result in less transparency and could create an appearance of impropriety even where none exists.	

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			If the IAIS moves forward with the proposal to close meetings to stakeholder participation there are several additional procedural steps that should be taken to assure a full, fair and open process for global standard setting: - Public Background Note - Issue for Comment -- We propose that the Public Background Note from the responsible chair should be distributed for public comment. This early public comment provides the chance for the committee to pose questions and seek feedback that is not constrained by initial structural decisions. This also provides opportunity for stakeholders to engage in the policy level discussions on the topics addressed in the note. The importance of stakeholder engagement in the policy debate as well as the technical details is critical. With the information about the project included in the background note, stakeholders will be in a position to provide feedback, and offer workable approaches in advance of the first consultation draft. Allowing for early engagement before the committee or subcommittee is fixed on a particular solution will result in a far better end product. Waiting to receive public comments until after an IAIS committee has made basic structural or directional decisions may well eliminate the opportunity to explore better, more creative approaches to problems that the committee members did not consider. The timing of these comments could make them the most useful comment exchange provided. - Public Consultation -- Minimum of two consultations -- There should be a minimum of two consultations on any proposed creation or revision of an existing ICP, standard or guidance. Sharing a draft and then substantively revising it in a final version without an opportunity for comment on the final draft promotes inadequate comment quality and uncertainty in the final product. This has just been illustrated in the second BCR consultation. Without all of the components of the BCR identified, no observer was in a position to provide full comment on the draft. Since the completed version is yet to be seen, industry will never have an opportunity to provide comment on all aspects of the proposal. Under the U.S. the regulatory process, if there are substantive changes made to a prior consultation version, a proposed regulation is actually considered a different proposal, and a second public comment opportunity is required. When there are unaddressed issues and gaps in the conclusions, stakeholders have not had a full and fair opportunity to comment on a consultation draft. Minor changes to an initial consultation may not rise to the same level, but even in that case a fatal flaw or interim final draft review process should be provided. This second consultation gives all interested parties a final review with a short comment period allowing stakeholders to see how comments have been addressed and provides an opportunity for the regulator or standard setter to correct unintended errors before adopting a final version. In any case, a minimum of two consultations are warranted in setting global policy for insurance regulation.	The procedures allow stakeholders to be engaged before a project plan is submitted to the Executive Committee as appropriate – see text after Section V.B.xi See prior response

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			- Public Consultation -- Minimum 60 Day Comment Periods - On all Public Background Notes, proposed ICPs, standards or guidance (consultation drafts), and papers (issue or application) there should be a minimum of 60 days for public consultations not just a goal of 60 days. The issues under consideration are of great importance to the industry and the global economy. Time periods shorter than 60 days only provide time for expression of generalized thoughts. Comment periods provided by other international financial standard setters, including IASB and FASB are often 90 to 180 days. If industry is to provide impact analysis or other data that would benefit the IAIS committee efforts, more than 30 days would be required. - Public Background Session -- Minimum 30-day notice for meetings or teleconferences - Notice is another important aspect of a transparent process. Thirty-day advance notice of all meetings, including the public background session should be provided on the IAIS website including the date, time, location, call-in number, planned agenda and names, affiliation and member countries of any non- member guests invited to attend. More clarity needs to be included in all provisions of these Draft Procedures regarding the notice of meetings. - Resolution of Comments Received - This is one of the most important provisions in the Draft Procedures, and we strongly support the addition of this step to the process. It has been a concern in the past that many comments made were overlooked or ignored and never addressed publicly. This process resulted in frustrations, repetition in future comment letter and poor communication between the IAIS members and stakeholders. It is critical that there is an absolute commitment to specifically address all comments submitted by stakeholders. Comments submitted should be accurately reflected, and clearly accepted or rejected, and specific rationale for the decision provided. - Public Discussion of Comments and Resolution - No Public Session Before Decisions Made - One weakness of the proposal is the lack of the opportunity to discuss in a public hearing the comments stakeholders have submitted. The Draft provides a public teleconference to discuss the background and a public discussion after the decisions have been made about the comments, but never allows stakeholders the opportunity to discuss their comments before regulators debate and decide on the issues. While the opportunities to hear and understand the committee/subcommittee opinions are appreciated, the absence of discussion prior to the decisions does not make sense. - Public Discussion of Comments and Resolution -- Minimum 30-day notice for meetings or teleconferences - Notice is another important aspect of a transparent process. Thirty-day advance notice of all meetings, including this public background session should be provided on the IAIS website including	See prior response See prior response The procedures allow for public dialogues as appropriate and for stakeholders to participate in meetings as appropriate, which could be for purposes of discussing comments submitted during a consultation. See prior response

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			the date, time, location, call-in number, planned agenda and names, affiliation and member countries of any non- member guests invited to attend. More clarity needs to be included in all provisions of these Draft Procedures regarding the notice of meetings. - Public Discussion of Comments and Resolution -- In-Person, Webcast, By Conference Call or All Options - Clarification is needed about whether this discussion will be available in person, by webcast, by teleconference or some combination of these options. The Draft Procedures do not specify this issue. We would prefer the option for in-person meetings, but in the absence of stakeholder attendance at meetings, the only way to provide transparency in the policy making process is to provide live webcasts of all public meetings. Making the meetings available through webcast worldwide may not be the same as in-person attendance, but it would provide the next best option. Live webcasting and archiving is the technique used by FASB, IASB and the U.S. House and Senate for all committee hearings even when the meetings are open to small audiences. To address differences in time zones, webcast meetings should also be archived on the IAIS for no less than 30 days for viewing by any stakeholder. Using this method the IAIS can illustrate that the content of the meetings will be open to stakeholders worldwide. - Discretionary Stakeholder Engagement - Concerns and Webcast Alternative --The proposed discretion around stakeholder participation will constrain efficiency, will result in less transparency and could create an appearance of impropriety even where none exists. For instance, we anticipate that the selected guests will often be from large companies. Small and mid-sized companies who do not have the resources to participate directly in IAIS projects will lose their voice at IAIS if the trade associations representing them are not invited to engage in the process. The selective inclusion of "guests" to participate in committee meetings on technical issues will necessarily mean that isolated views will be represented while others will not be heard by members attempting to make decisions on the direction of global standards. Regardless of the intention and even the actuality of the situation, an appearance of impropriety will damage the credibility of the organization. Putting so much discretion in the hands of a committee or subcommittee will only create problems. The differences between stakeholder access to the committees/subcommittees whether real or perceived could result in challenges to the process and could well create problems for regulators in their home countries. The core process needs to provide full and fair opportunity for comment and needs to be open to all	Alternative methods of meetings are being explored. To be explored. See amendments to section on inviting guests.

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			stakeholders. We propose that in the absence of full stakeholder participation in meetings, the only way to provide transparency in the policy making process is to provide live webcasts of all meetings other than those closed meetings set forth in Section I of this Draft Procedure. Making the meetings available through webcast worldwide may not be the same as in-person attendance, but it would provide the next best option. Live webcasting and archiving is the technique used by FASB, IASB and the U.S. House and Senate for all committee hearings even when the meetings are open to small audiences. To address differences in time zones, webcast meetings should also be archived on the IAIS for no less than 30 days for viewing by any stakeholder. Using this method the IAIS can illustrate that the content of the meetings will be open to stakeholders. While this does not provide the potential for stakeholder interaction, at least it provides opportunity to access the committee discussions. This access to meeting content is especially critical if the committee has invited select stakeholders to attend the meetings. In such situations there is no other way to provide other stakeholders with a chance to address information shared that may not be consistent with the state of affairs in another jurisdiction. Webcasting may be the only way to partially mitigate the sense of favoritism or selective information-gathering if some stakeholders but not all stakeholders are engaged.	
Ann Henstrand & Morag Fullilove	US and EU	No	This section reiterates that supervisory material (which includes ICPs) will be presented to the Executive Committee for adoption unless 10% of the Members request adoption take place at the General Meeting. Given the impact that ICPs, ComFrame, and future capital standards will have on FSAPs, the default position should remain adoption of these standards at the Annual General Meeting rather than by ExCo. Paragraph (vii) says public discussion should be generally be conducted as a conference call or include a conference call option. We would support conference call options where practicable, but if these consultations will be the only chance for dialogue they generally should also be made available as face-to-face sessions.	The By-Laws set out this procedure and, in practice, ICPs are typically adopted by General Meeting
American Council of Life Insurers	USA	No	Comments: Modifications Suggested Regarding the first bullet point beginning with "Supervisory material," we believe this description is unclear and open to potential misunderstanding. We believe that the proposal being made is to change the Bylaws of the IAIS, to amend the approval of Supporting and Other material, so as to remove the current procedure consistent with the voting procedures outlined in the October 2013 IAIS Bylaws. If we understand correctly, the current General Assembly vote would be replaced, providing the authority of the Executive Committee to commit the IAIS to authorize and adopt Supporting and Other materials without the opportunity for 10% of the of the IAIS Members to call for a General Assembly vote.	The procedures regarding approval of principles, standards and guidance (supervisory material) are in accord with the By-Laws and are not changing current practice

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			We recognize this may be intended to streamline the process for standard-setting so as not to require action be delayed until the time of the annual general meeting, and that this may be an attempt to increase the efficiency of the IAIS policy and standard-setting. However, we believe that this is a fundamental change in the policy and standard-setting mechanisms of the IAIS and a fundamental change in IAIS Bylaws, the gravity of which is not expressed in this consultation document. Our scope of understanding of the presentation to be made to the October 2014 General Assembly regarding the full scope of changes to IAIS Bylaws is not complete as the consultation document upon which we are commenting only includes relevant information to Observers, and we trust the consultation document currently being presented to IAIS Members is a representation of the proposal. As stakeholders and as participants in national and jurisdictional legislative and regulatory development in our respective jurisdictions, we are concerned that this proposal will create a concentration of authority amongst a "supervisory elite", which is inconsistent with the inclusive and representational mandate which the IAIS has historically represented. The decision to remove the General Assembly's affirmative power and replace it with a negative opt-in trigger to vote at the General Assembly level has the potential to create an unbalanced organization, where smaller or less well-funded jurisdictions will simply not be consulted but be bound by the decisions of the few. This process also raises procedural questions about how non-Executive Committee members can discuss proposals and build a consensus to vote to require a General Assembly review. As an organizational process, this would introduce the risk of manipulation of information to bypass the consent of the membership. Additionally, while we recognize Executive Committee is intended to be representative of the full IAIS membership, we are concerned that the geographic allocations are not current in the scope of representation based on market premium. We are interested in knowing if the Bylaws of the IAIS will include amendments to rebalance regional representation based on the current reality of geographic affiliation and market share. Regarding the second bullet in this section beginning with "Supporting material" we believe removing any requirement or safeguard for General Assembly approval and approval resting totally with the Executive Committee creates the same fatal flaws as outlined in the previous bullet point. The paragraph beginning with "A Committee or Subcommittee may" does not mention any mechanisms where stakeholders can propose the need to develop or amend supervisory or supporting material and	No changes to geographic representation are being discussed. The By-Laws do not require the General Meeting to approve supporting material and this procedure reflects current practice Stakeholders are welcome

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			references an Annex 2, which is not described or contained in the consultation document. We believe this omission could be interpreted to mean that stakeholders cannot directly propose initiatives or changes to the IAIS, which would appear to contradict the earlier statements about the past contributions of Observers and the openness of the Executive Committee to hear from and meet with stakeholders. Regarding the points and sub-points beginning with "The process for developing supervisory and supporting material is as follows," we applaud the IAIS for drafting and seeking consultation on a process of formalizing the process for developing standards and other supervisory material. The procedures outlined in paragraph (i) appears sound; however paragraph (ii) should be more definitive regarding the logistics of the background note. Specifically, what will be the timeframe for developing and posting the background, and what will be the mechanism for receiving and responding to stakeholder comments or questions comments? Paragraphs (iii) to (viii), lack necessary inclusion of any consultation process with stakeholders at the Subcommittee drafting level. Once a document is at the near final stage, inertia and human nature take over and it is very difficult for drafting groups to accept any material changes, much less fundamental changes to approach, etc. Accordingly, we view the ability to review early drafts as essential to ensuring meaningful opportunity to comment. Public comment on near final drafts, while not completely useless, is inadequate to ensure meaningful opportunity to comment. Paragraph x. We refer to our previous comments regarding the Bylaws change transferring approval authority from the General Assembly to the Executive Committee. Concluding section of II-B starting with "The process set forth above does not limit or prohibit a Committee/Subcommittee from": we urge that this section be amended and expanded to make firm statements and replace sections (iii) through (xiii), stating that a holistic, open, and transparent consultation process should be available for all IAIS Supervisory Standards, Supporting or Other Materials. Questions? - Are there proposed changes to the decision making process for Executive Committee? - What threshold is required for Executive Committee to approve an action? - Are Executive Committee votes recorded and available to Members along with Executive Committee minutes?	to submit proposals at any time and current procedures do not explicitly state this either. See amendments to this section. The procedures allow early and ongoing involvement of stakeholders as appropriate – see text after Section V.B.xi A revised decision making process was adopted in March 2014 and will be made publicly available. A simple majority is required for most decisions. Numeric results are recorded in the minutes if one or more

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				members request.
American Insurance Association	USA	No	While many of the procedures for consultation with stakeholders outlined in the Draft would be welcome as an adjunct to continued stakeholder participation in Committee and Subcommittee meetings, standing alone, they are a wholly inadequate substitute for the existing in-person opportunities at the time public policy is being formulated to engage with supervisors working on critical initiatives. For instance, the "public background note" and "public background session" are one-way, disembodied (i.e., written or conference call) communications that provide no opportunity for stakeholder input. While the "public discussion of comments and resolution" will enable the IAIS to "Receive feedback on work completed to date and future work planned" and "Allow for direct engagement between Members and stakeholders on relevant topics," we believe this (once again disembodied) opportunity would come too late in the process to be meaningful if stakeholders are not permitted to attend Committee and Subcommittee meetings. Given the recognized expertise and market perspectives of the various stakeholder groups, the untimely and insufficient consideration of their input contemplated by the Draft would undoubtedly diminish the quality of IAIS materials, to the detriment of all. Therefore we urge the IAIS to reconsider the policy changes in the Draft that would exclude stakeholders from regular attendance at IAIS meetings and to engage with stakeholders in a meaningful way to ensure that the IAIS's work can be both efficient and transparent. The primary justification in the consultation document for excluding stakeholders from meetings is the need for greater efficiency at the IAIS. We understand the need to maximize efficiency as deadlines set for the IAIS's work approach and as the work of the IAIS becomes more significant in the development of global regulatory standards. However, it is unclear from the Draft why the IAIS believes that stakeholder participation makes its work less efficient. AIA believes that it is important for the IAIS to explain this view to stakeholders so that we may adequately respond and discuss alternative changes to IAIS procedures that would increase efficiency without sacrificing transparency.	See memo that accompanied draft procedures for background and reasons for proposed shift from Observer status
CNA	USA	No	CNA notes that at least one public consultation, preceded by a public background session, is required prior to seeking adoption of any supervisory or supporting material, and prior to that public consultation, the material to be released must be approved by the Executive Committee. We believe that seeking input this late in the process will diminish its value as the issues have already been discussed in detail behind closed doors, and as a result of those discussions, key decisions have already been made. We recognize and appreciate that additional public consultations may be held throughout the development of the material; however, obtaining observer input into the process on a frequent, ongoing basis is critical to ensure that as many perspectives and viewpoints are taken into consideration to reach appropriate	The procedures allow early and ongoing involvement of stakeholders as appropriate – see text after Section V.B.xi

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			conclusions and minimize the risk of unintended consequences. As such, we continue to advocate that meetings remain open to interested parties, unless the IAIS provides sound rationale as to why the discussions must be closed. CNA believes that a 30 day comment period is inadequate to provide meaningful feedback, particularly if interested parties are omitted from the discussions leading up to the public consultation period as proposed. Should the Procedures be adopted, CNA supports the IAIS holding a public background session to provide insight into the development of the material; however, such a session is not a worthy substitute for being able to participate in the discussions and debate as the material is being developed. For that reason, more time will be required for interested parties to understand and digest the background material than if they had participated in the development of the material directly, thus lengthening the time required to provide meaningful consultation comments. As mentioned, should non-members be omitted from the discussions leading up to a public consultation as proposed, CNA supports the IAIS holding an in-person public background session to provide insight into the development of the material, as well as a public session to discuss comments received and their resolution. We note that the Procedures state that in all but exceptional circumstances, these sessions should be conducted as a conference call, or include a conference call option. It is unclear as to whether the intent is to conduct the public background session via conference call only, or if a face to face meeting is also an option. CNA strongly supports the latter, providing the opportunity for a more productive dialogue.	See prior response In-person meetings will be arranged when appropriate to address more complex issues, such as ComFrame and capital standards
NAIC	USA	No	Section II.B.iii: Assume this should be "Development of draft material" rather than "approved material" - this could be misleading as the only thing that has been approved at this point is the project plan, not the material itself. Section II.B.iv: There is no indication or expectation on when the at least one public consultation should occur. Traditionally, the IAIS has a formal consultation on a final draft or at developmental milestones but other processes, including attendance at meetings, have allowed stakeholders to follow development and provide input as appropriate. As proposed, if the steps in the IAIS process go from publication of a background note to one formal consultation on a final draft, that one required consultation will likely be very difficult for stakeholders as they will have little understanding of how the draft was developed, what issues were considered and resolved, etc. As is current IAIS practice, in going from the start of a project to a final draft, there are a number of drafts and instances where stakeholder input is sought in order to ensure a high quality end product which has taken on and considered a variety of views and suggestions. Such means of informal input is reflected in the penultimate paragraph of this section; however, as it	"approved" deleted. The procedures allow early and ongoing involvement of stakeholders as appropriate – see text after Section V.B.xi

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			appears outside the numerated steps, it seems more like an afterthought than a crucial part of the process to receive stakeholder input which the IAIS says is so important. Therefore, this paragraph should be inserted as a new iii and revised to begin with, "In developing draft material, the responsible Subcommittee(s) should involve and inform stakeholders as appropriate through a variety of means, such as:" This will help bridge the gap between initial development to required consultation and demonstrate the IAIS's commitment to seeking stakeholder input as appropriate throughout the development as part of the established process. Section II.B.vi: In addition to a summary of comments and responses on the website, all comments received should be posted in order to be informative and transparent and to avoid selective disclosure of comments (whether in practice or perception). Suggest revising II.B.vi to "...summary of comments and responses as well as a compilation of all comment received shall be made available...". Section II.B.vi and vii: It should be clarified that the responses which are approved by the Parent Committee(s) are only proposed responses. Otherwise this could be misinterpreted to mean that the responses have been finalized and approved which would be contrary to the purpose of having a public discussion during which Members and stakeholder could discuss and explain their comments or provide alternatives in light of proposed responses. Thus "proposed" should be added where appropriate.	This text added to paragraph iii. Text added. Responses to comments could be both final and proposed/pending further work, so "(proposed)" added before responses to reflect both possibilities.
Property Casualty Insurers Association of America	USA	No	Openness at the beginning and end of document drafting does not provide the most valuable participation by stakeholders. At the beginning, not enough is known about the details to make the most effective comments. At the end, it is human nature that major changes will not be made, despite the existence of serious problems. We have found that attendance and participation in drafting meetings have provided valuable input and actually served to improve the quality of the work product and reduce delays at the end because many issues have already been resolved. The nature of the public consultation at the beginning and end is also not clear. Will there be ample opportunity for all stakeholders to comments orally and in writing? Will the meetings be conducted in person, by phone, webinar or a combination?	The procedures allow early and ongoing involvement of stakeholders as appropriate – see text after Section V.B.xi The IAIS is committed to allowing sufficient time to adequately discuss the issues and is exploring alternatives to supplement in-person meetings and teleconferences.
Reinsurance Association of	USA	No	Observer input has been crucial as it has allowed for the identification of weaknesses, areas where proposed measures conflict with market practices, the identification of unintended consequences or other	The procedures allow early and ongoing involvement of

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
America			industry implications. We urge the IAIS to continue to allow industry stakeholders to have an opportunity to meaningfully participate in the development of IAIS materials and workstreams at every stage of development, not just at the beginning and end of the process. Industry should have the opportunity to add value as drafts are taking shape, including allowing for the identification of problems or issues in a timely fashion. Moreover, meetings or hearings to which industry is invited or allowed to participate should be scheduled as far in advance as possible to allow for the logistics of attending. The two week period contemplated by the Draft Procedures seems inadequate in this regard given the fact that many people will be traveling internationally. Section II.B.iv and II.B.vi With respect to public consultation, the Draft Procedures call for at least one public consultation for any material before its adoption. For almost any workstream, a single public consultation is likely to be insufficient. If there is only one consultation, it would typically come late in the development process, and as such would be unlikely to allow for substantial change or revision based on industry stakeholder input. We urge the IAIS to allow for public consultation at multiple times throughout the process, based upon the complexity of the issues to allow for stakeholder input throughout the process. The amount of time for public consultation should also be adequate to allow for a full and fair evaluation of materials. Moreover, to the extent that industry will no longer have the opportunity to have a dialogue with supervisors through attendance at meetings, we urge the IAIS to adopt a formal procedure for the IAIS to respond in writing to concerns or issues raised by industry stakeholders through public consultation. This should be done under a structured time frame (e.g., 60 days for public consultation, 60 days for IAIS response to public consultation), so that industry can understand and evaluate how the IAIS has responded to industry concerns with respect to ongoing development. This will increase efficiency for the IAIS because it will eliminate the need for industry to reiterate comments because we do not know whether and the extent to which those comments or concerns have been considered or reflected in the work of the IAIS. While the Draft Procedures call for "resolution of comments received" on a summary basis, we urge the IAIS to establish a more structured method for addressing industry feedback and input.	stakeholders as appropriate – see text after Section V.B.xi Invitations and notices to participate in meetings or hearings will be made as far in advance as possible. The procedures allow early and ongoing involvement of stakeholders as appropriate – see text after Section V.B.xi. Multiple consultations are also allowed as appropriate. The procedures require written responses to comments made during a consultation.
Comments on Section III				
Association of Mutual Insurers and Insurance Cooperatives	EU	No	Reflecting on the IAIS' commitment to include "all groups and individuals who have an interest in insurance supervision and regulation" in their stakeholder definition, we refer to our earlier suggestions on the structuring and administration of the wide field of potential stakeholders (and of their input) and on a necessary information push activity by the IAIS.	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
Gesamtverband der Deutschen Versicherungswirtschaft	Ger.	No	A public background note is supposed to be published on the IAIS website immediately following approval of a request to revise or develop supervisory and supporting material. We believe that this note should not only serve information purposes, but allow Observers to comment on the scope and objectives of the project before resources are finally allocated. Public background sessions should be launched prior to the consultation phases. The IAIS should provide a clear forecast and the essential details of the intended regulation to Observers in order to enable them to offer targeted comments. In contrast, abstract elaborations of regulatory objectives would not be helpful in order to set the further process on the right track. With respect to the public discussion session, it would be helpful to provide an exhaustive and comprehensive explanation of the rationale why Observer comments and proposals have not been adopted. This would be helpful to shape comments and arguments for a, if applicable, second phase of consultation. Furthermore, we appreciate the opportunity to engage in a dialogue with the Executive Committee on a regular basis. However, Observers should have the opportunity to request exceptional sessions under certain circumstances, for instance prior to the adoption of important standards or policy decisions.	See amendments to this section. The public background note should include such details. Stakeholders are welcome to request exceptional sessions at any time.
The General Insurance Association of Japan	Japan	No	We appreciate the IAIS clearly stating in the consultation paper that "The IAIS has benefited greatly from the contributions of Observers and other stakeholders to its work in standard setting, standard implementation and financial stability". As mentioned, we also recognize that observers' contributions are one of the factors that have enabled the IAIS to achieve appropriate results in standard setting, standard implementation and financial stability, reflecting insurance business practices. Therefore, we would like to ask the IAIS to maintain good communication with stakeholders after the (possible) discontinuation of Observer status. After the (possible) discontinuation of Observer status, we will not be allowed in principle to participate in Committee Meetings and WG/TF. This means that meeting documents and other materials published on the IAIS website will be even more important for us. It is prescribed in the consultation paper that the IAIS is to provide Summary Records of meetings. However, given that it might be difficult for some stakeholders to fully participate in face-to-face meetings and teleconferences due to geographical distances and time differences, such Summary Records should be as detailed as possible. Especially for background sessions, the IAIS should provide stakeholders with detailed meeting minutes and materials related to public discussion of comments and resolution, with appropriate timing. (Ex. Public background session minutes should be distributed to stakeholders before public discussion of comments and	Noted.

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			resolution.) Also, it would be appreciated if the IAIS could provide stakeholders with as many meeting materials as possible.	
Association of British Insurers (ABI)	UK	No	We welcome IAIS' stated objective of achieving consistency and transparency in its engagement with stakeholders.	
The Fullilove Consulting Group	USA	No	The IAIS does acknowledge the value of stakeholder input in the second paragraph of this section, but the paper needs a much stronger commitment to transparency. I would suggest including working from the OECD Background Document on Public Consultation: "Consultation increases the level of transparency and it may help to improve regulatory quality by: - Bringing into the discussion the expertise, perspectives, and ideas for alternative actions of those directly affected; - Helping regulators to balance opposing interests; - Identifying unintended effects and practical problems. Using pre-notification it is possible to foresee more easily the consequences of some planned policies, becoming one of the most productive ways to identify administrative burdens; - Providing a quality check on the administration's assessment of costs and benefits; - Identifying interactions between regulations from various parts of government."	
National Association of Mutual Insurance Companies	USA	No	We note that this section includes a definition of stakeholder to include, "all groups and individuals who have an interest in insurance supervision and regulation." While the language sounds broad, we request a revision to the language and its inclusion in the Glossary as follows: "Stakeholder" shall include any group, firm or individual who has self-identified as interested in insurance supervision and regulation."	Definition amended and added to Glossary.
American Council of Life Insurers	USA	No	Comments: Modifications Suggested This section is largely a restatement of the procedures as outlined in Section II, and we reference our comments for those items.	
American Insurance Association	USA	No	However, if IAIS does exclude stakeholders from regular meetings and implements the policies for stakeholders as described in the Draft, the IAIS must implement a structured system whereby IAIS Members are responsive to all stakeholder concerns in order to minimize inevitable transparency losses from the policy changes. Specifically, we recommend:	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			- Consultation with stakeholders on IAIS work streams should be maximized through regular in-person forums and briefings, frequent conference calls, and formal written notice and comment periods of sixty to ninety days for each draft of IAIS supervisory and supporting material. - A transparent procedure for inviting experts to participate in particular IAIS meetings should be developed. Invitations to stakeholders to attend meetings should not be left entirely to the discretion of the chair. - Since attendance at meetings provides stakeholders the opportunity to interact with IAIS Members from all participating countries, Members of IAIS Committees, Subcommittees, and working groups should be available for direct communication from stakeholders, either directly via email or through a messaging system on the IAIS website. - IAIS Members and staff should be made available for industry-hosted meetings and conferences. - Considering the importance of systemic risk, and in view of the admonition in the IAIS By-Laws that it will liaise and co-operate with other organizations, particularly those involved in issues of financial markets supervision and promotion of financial growth, stability and integrity, the IAIS should amend its rules to permit systemic risk policymakers such as the U.S. Financial Stability Oversight Council (FSOC) to attend all IAIS meetings related to systemic risk. Consultation with stakeholders should be a means by which the IAIS improves its work product - not an end unto itself. In the consultation document the IAIS pledges its commitments to increasing transparency and maintaining engagement with stakeholders. The extent to which those commitments are manifested in the procedures of the IAIS in the future is of immense importance to the quality of the standards put forward by the IAIS and the legitimacy of the IAIS's work.	Reference to full policy provided for clarity as this is simply a summary.
CNA	USA	No	CNA supports and appreciates that the "IAIS is committed to operating in an open and transparent manner, with appropriate consultation processes and governance, whilst maintaining the ability for Members to exchange information in confidence". However, we do not believe the Procedures support this goal of being "open and transparent". We believe allowing Observer participation in Committee and Sub-Committee meetings, unless the IAIS provides sound rationale as to why the discussions must be closed, is required to meet the stated transparency standard	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
Property Casualty Insurers Association of America	USA	No	IAIS notes that it is committed to operating in "an open and transparent manner" yet its proposed procedures actually close meetings and do not provide the openness provided by other regulatory bodies, both national and international. Indeed, all IAIS members should carefully review the proposed procedures to see if they provide less openness and transparency than is required under local laws to which they are subject. For this reason alone, these procedures should not be adopted as proposed and in the timeframe set for their adoption.	
Comments on Section III.1				
World Federation of Insurance Intermediaries	Belgium	No	WFII calls on the IAIS to recognize that its role as an international standard setting organisation requires it to operate truly openly and transparently. We therefore believe that all meetings should be open to any interested party unless there is a compelling, objective, specifically articulated reason for closing a particular session. As a general rule, IAIS committee and working group meetings should be conducted in an open and public manner and interested parties should have the ability to hear discussion, deliberations and decisions associated with the development of IAIS supervisory and supporting material. WFII respects the desire of IAIS to be able, when necessary, to discuss issues behind closed doors - and we do not believe that IAIS should allow stakeholders to formally participate in or offer public comments at all IAIS meetings - but this is not a rationale or defense for the closing of meetings. The ability of interested parties to attend and observe IAIS meetings allows them to remain aware and informed. WFII also believes that the industry and their federations as recognized sector representatives need to be engaged early and continuously in the drafting process of supervisory and supporting material in order to identify areas of unintended consequences for consumers and industry. These effects or consequences are not always apparent when discussions take place without marketplace knowledge/insight. Emerging trends and challenges are first identified in the marketplace. Early involvement of the industry and sector federations also allows for relevance of public policy discussions and aims. Early and continuous involvement in the drafting process also ensures that conceptually there is mutual understanding between regulators and practitioners of what the policy is trying to achieve and the best way of achieving the goal. Understanding by the industry of the evolution of the policies will facilitate implementation at national level, through advocacy, mutual understanding and political will.	The procedures allow early and ongoing involvement of stakeholders as appropriate – see text after Section V.B.xi.
Association of Mutual Insurers and Insurance Cooperatives	EU	No	We note the use of the term "relevant" stakeholder and suggest that the IAIS explain or suppress.	"relevant" deleted.

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
Financial Conduct Authority (FCA)	UK	No	Second sentence: "principle" should be "principal".	Amended.
NAIC Consumer Representatives	USA	No	The draft proposal states: The purpose of this policy is to set forth the IAIS' expectations of stakeholders. Its principle aims are to: - Ensure that all relevant stakeholders are properly consulted in the IAIS' development of policy. - Encourage more involvement of interested stakeholders through a transparent consultation process and other interactions. - Build a standardised framework for consultation that is clear and consistent yet flexible enough to take account of the specific requirements or circumstances of individual projects. - Promote the exchange of experience, expertise and information between and among our Members and stakeholders. CEJ respectfully submits that the proposed policy for consultation of stakeholders will not accomplish these purposes. The procedures will not ensure all relevant stakeholders are properly consulted because there is no formal consumer participation program or assistance, because the implementation is left to the discretion of the Chair and because there is no formal training for Members or Committee leadership in implementing public participation policies and procedures. The proposed process is clearly not transparent as its implementation rests largely at the discretion of the Committee Chair, as discussed above. The proposed "standardized framework" is too short on the required interactions and too long on the options to ensure consistent stakeholder interaction across Committees and projects.	The IAIS is committed to discuss with consumer representatives how best to engage and to ensuring that all Chairs properly engage such representatives.
Ann Henstrand & Morag Fullilove	US and EU	No	If the IAIS does wish to acknowledge the value of stakeholder input, the procedures need to make a much stronger commitment to transparency and openness. The IAIS should craft a statement similar to the OECD Background Document on Public Consultation, and aligned with best practices for other standard-setting and multi-lateral policy-setting bodies: "Consultation increases the level of transparency and it may help to improve regulatory quality by: - Bringing into the discussion the expertise, perspectives, and ideas for alternative actions of those directly affected; - Helping regulators to balance opposing interests; - Identifying unintended effects and practical problems. Using pre-notification it is possible to foresee more easily the consequences of some planned policies, becoming one of the most productive ways to identify administrative burdens; - Providing a quality check on the administration's assessment of costs and benefits; - Identifying interactions between regulations from various parts of government."	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
American Council of Life Insurers	USA	No	Comments: Modifications Suggested This section is largely a restatement of the procedures as outlined in Section II, and we reference our comments for those items.	
Property Casualty Insurers Association of America	USA	No	The purpose is good, but the proposed procedures are inconsistent with it, in that they provide for less input overall and less effective input. The public consultation sessions are not clearly enough described. Will all stakeholders have an opportunity to comment orally and in writing? Will these sessions be in person, by webinar, by teleconference or a combination? What records will be kept of the input?	Reference to detailed procedures made, to be linked.
Comments on Section III.2				
World Federation of Insurance Intermediaries	Belgium	No	We fear that discussion and development of supervisory material without the opportunity for continuous public observation will create mistrust and suspicion about the decisions of the IAIS, and that any supervisory material adopted in this manner will lack the standing and integrity that it would otherwise possess. Furthermore, we believe that there will be a negative effect on the willingness of a particular IAIS-drafting team to make important changes in a draft paper if there is only a public consultation at a time the paper has reached already its final stage. And, accordingly, when policy has been formulated, edited and is near completion before stakeholders are aware of them, their reaction could be overly negative. We therefore urge the IAIS, in order to ensure that it operates in a truly open and transparent manner and that consultations are as effective and predictable as possible, to extend the multiple stages of public consultation and to open all meetings to any interested party. The industry and the federations which are recognised representatives of their sector should continue to be able to follow closely and comment on the work of the drafting teams by having access to the subsequent drafts (and thus not only the draft in its final stage) and by having the ability to hear discussion, deliberations, and decisions associated with the development of IAIS supervisory and supporting material. According to the proposal, one of the multiple stages in the public consultation of supervisory material is a public background session. We believe that this background session should not only be organised upon or prior to the launch of the public consultation but should in any case also be organised at the start and several times during the drafting process. The background sessions, in combination with the presentation of the subsequent drafts online and the ability to hear discussions, deliberations and decisions associated with the development of IAIS supervisory and supporting material, will guarantee the quality and the effectiveness of the stakeholder input.	The procedures allow early and ongoing involvement of stakeholders as appropriate – see text after Section V.B.xi.

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
Association of Mutual Insurers and Insurance Cooperatives	EU	No	1. Background note we suggest that the background note include information about the responsibilities within the IAIS (subcommittee, secretariat staff) for the individual project. 2. Public discussion session (this could be used as a distinctive term; in B.II.vii, this session is described in less clear terms) We refer to our earlier comments that holding one single session (namely in just one geographic/time zone) may not be sufficient and our strong recommendation to consider modern communication technology with the purpose of facilitating broad and productive participation. We suggest to consider to extend the announcement period for the session to four weeks to allow for easier planning by smaller (or individuals as) stakeholders.	Currently must identify responsible Subcommittee/Committee; also see additional text
The Life Insurance Association of Japan	Japan	No	Under the existing procedure, the IAIS provides Observers with opportunities to submit their input during the drafting process so that Observers can express their concerns in advance of formal consultation such as on overall direction of the project, impacts of the project on the life insurance business and the whole economy, specific matters of each jurisdiction and any other technical issues. We are afraid that if the IAIS does not recognize and reflect those concerns in draft materials prior to public consultation, this may cause confusion for stakeholders and undermine its efficiency. For this reason, we would like the IAIS to ensure the frequent engagement with stakeholders by soliciting their input and giving feedback to them in the drafting process in advance of public consultation. Considering the concerns above, we acknowledge that stakeholders will be invited to meetings such as Committee Meetings at the discretion of the Chairs to solicit stakeholder input. However, we have a concern that the opportunities for stakeholder input would be limited to certain circumstances, such as "when specific, technical input is required on an issue" or "to receive an explanation of practices and developments within the industry or certain regions or jurisdictions" as listed in this document. Taking into account the diversity among the insurance industry throughout the jurisdictions, we would request that the Chairs seek to receive a wider range of input from various stakeholders in order to deal with various concerns among jurisdictions. When determining particularly whether, when and whom to invite, we believe that the IAIS should take into account the requests made by the IAIS Members and stakeholders, rather than determining it only at the discretion of the Chairs.	The procedures allow early and ongoing involvement of stakeholders as appropriate – see text after Section V.B.xi. See amendments to section on inviting guests
Association of British Insurers (ABI)	UK	No	Consultation process - We were pleased to see the IAIS would like to conduct more open and transparent public consultations. - In particular, the different stages of keeping stakeholders informed and involved throughout the formal	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			consultation period seem sensible. - The IAIS should ensure these consultations present a genuine opportunity for stakeholders to contribute. There needs to be both sufficient time and flexibility within the IAIS to accommodate any resulting changes. - We were pleased to see the IAIS is committed to providing a clear statement of a project's policy rationale and objectives at the outset, in a background document. This would avoid future work being surrounded by the uncertainty characterising, for example, the ICS. - We also support a standardised consultation period of at least 90 days for supervisory materials and 60 days for supporting materials. In our experience, truncated consultation timelines have affected Observers' ability to offer sufficiently thoughtful and detailed comments, particularly on technical areas. - The IAIS may also want to consider the timing of their consultations to ensure stakeholders are able/available to fully engage. Stakeholder engagement during policy development - We welcome the IAIS' willingness to continue consulting on draft work. - We were also pleased to see that the IAIS will solicit technical input during the policy development stage to ensure the appropriateness of any proposals. We would like to highlight the value of stakeholders' input in ensuring proposals are workable and do not result in unintended consequences. - We note, however, that the IAIS' engagement with the G-SIIs on the BCR was effective in that specific instance,. However, the development of the BCR is distinguished both by the limited pool of insurers affected and the extraordinarily compressed - and externally imposed - timelines. Therefore, going forward, the IAIS may need to allow sufficient time for broader engagement. - As an example, the ICS will impact a much wider group of insurers and policyholders and restricting input to a handful of companies would no longer be possible. Likewise, other IAIS standards tend to also impact the industry as a whole.	See prior response
Financial Conduct	UK	No	Paragraph 5: same comment as for Section II.B above	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
Authority (FCA)				
NAIC Consumer Representatives	USA	No	See comments above on Section II.B	
National Association of Mutual Insurance Companies	USA	No	One weakness of the Draft Procedures is that it sets forth the public discussion opportunities when the IAIS has information to impart to stakeholders instead of focusing on opportunities to learn from the stakeholders. The Draft Procedures provide a public teleconference to discuss the background and a public discussion after the decisions have been made about the comments, but never allows stakeholders the opportunity to discuss their comments before regulators debate and decide on the issues. While the opportunities to hear and understand the committee/subcommittee opinions are appreciated, the absence of discussion prior to the decisions does not provide a real sense that what stakeholders have to say will be considered in the decision-making process. We also reiterate all comments from Section II.B that outline improvements to the procedural framework proposed.	The procedures allow early involvement of stakeholders as appropriate – see text after Section V.B.xi.
American Council of Life Insurers	USA	No	Comments: Modifications Suggested This section is largely a restatement of the procedures as outlined in Section II, and we reference our comments for those items, but would highlight the following expansion on our previous point regarding limited transparency and the possible conflict of laws: We suggest that the IAIS develop provisions to address the possibility that a Chair's decision to close meetings could violate a Member's obligations under the applicable freedom of information, open meetings, Statements of Expectations, or other transparency-related laws, regulations or directives. Members that must recuse themselves should have recourse to the Executive Committee to question the decision of the Chair. We are also concerned that Members who are bound by such restrictions will have limited ability to participate in ongoing decision-making processes. We suggest that the IAIS undertake a legal analysis of these issues and the possible liability to which Members could be subject under the implementation of the proposed procedures.	As an Association formed under Swiss law it is unclear how a Member's obligations could be violated by IAIS procedures, and no Members have raised such issues.
CNA	USA	No	CNA notes that at least one public consultation, preceded by a public background session, is required prior to seeking adoption of any supervisory or supporting material, and prior to that public consultation, the material to be released must be approved by the Executive Committee. We believe that seeking input	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			this late in the process will diminish its value as the issues have already been discussed in detail behind closed doors, and as a result of those discussions, key decisions have already been made. We recognize and appreciate that additional public consultations may be held throughout the development of the material; however, obtaining observer input into the process on a frequent, ongoing basis is critical to ensure that as many perspectives and viewpoints are taken into consideration to reach appropriate conclusions and minimize the risk of unintended consequences. As such, we continue to advocate that meetings remain open to interested parties, unless the IAIS provides sound rationale as to why the discussions must be closed. CNA believes that a 30 day comment period is inadequate to provide meaningful feedback, particularly if interested parties are omitted from the discussions leading up to the public consultation period as proposed. Should the Procedures be adopted, CNA supports the IAIS holding a public background session to provide insight into the development of the material; however, such a session is not a worthy substitute for being able to participate in the discussions and debate as the material is being developed. For that reason, more time will be required for interested parties to understand and digest the background material than if they had participated in the development of the material directly, thus lengthening the time required to provide meaningful consultation comments. As mentioned, should non-members be omitted from the discussions leading up to a public consultation as proposed, CNA supports the IAIS holding an in-person public background session to provide insight into the development of the material, as well as a public session to discuss comments received and their resolution. We note that the Procedures state that in all but exceptional circumstances, these sessions should be conducted as a conference call, or include a conference call option. It is unclear as to whether the intent is to conduct the public background session via conference call only, or if a face to face meeting is also an option. CNA strongly supports the latter, providing the opportunity for a more productive dialogue.	See prior response In-person meetings will be arranged when appropriate to address more complex issues, such as ComFrame and capital standards
NAIC	USA	No	Section III.2: The last paragraph should be added as a new step 2 to reflect the importance of the informal stakeholder input, not just the formal. Section III.2.3): In addition to a summary of comments and responses on the website, all comments received should be posted in order to be informative and transparent and to avoid selective disclosure of comments (whether in practice or perception). Suggest revising III.2.3) to "Publication on IAIS website of a compilation of and a summary of comments received..." Section III.2 3) and 4): It should be clarified that these are proposed responses to the consultation	Made into new section "Additional opportunities to provide input" Text amended Text amended

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			process.	
Property Casualty Insurers Association of America	USA	No	See our comments above. Also, there needs to be a more uniform and longer time provided for comments to assure that all stakeholders will have a fair chance to participate.	
Reinsurance Association of America	USA	No	As noted with respect to Section II, the effectiveness of industry input depends upon regular, substantive input at every stage of the development process. The Draft Procedures reflect a standard public consultation process and then note that "[t]hese steps also do not preclude" additional enumerated ways (e.g., questionnaires, surveys, technical input) to gain industry stakeholder input. We urge the IAIS to make these additional steps a formal part of the consultation process, rather than a secondary list of options.	See prior response.
Comments on Section III.3				
Association of Mutual Insurers and Insurance Cooperatives	EU	No	In line with our comments above, we support the call for more than one open ExCom stakeholder meeting per year, observing an appropriate rotation between geographical zones.	
Institute of International Finance - IIF	Int'l	No	III. Policy for Consultation of Stakeholders 3. Executive Committee Sessions Clarification is needed around the statement: "At least once a year, the Executive Committee shall invite stakeholders to an open session to discuss relevant substantive issues." It would be very helpful if the IAIS could provide more information on the process for selecting potential topics that could be discussed in such meetings (including the possibility for stakeholders to suggest topics), the length of the meetings, and the criteria for selecting stakeholders to participate in the meetings.	Topics will be selected by the Executive Committee and procedure already states that suggestions will be sought. Length of meeting may vary but Executive Committee is committed to providing adequate time. All stakeholders will be invited to participate in the

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
				meetings.
The Life Insurance Association of Japan	Japan	No	We believe that it would be efficient to hold Executive Committee sessions jointly with other meetings open for stakeholders, to the extent possible.	Agreed.
Association of British Insurers (ABI)	UK	No	We welcome the proposal for the IAIS Executive Committee to hold at least one annual open session with stakeholders.	
NAIC Consumer Representatives	USA	No	We applaud the proposal for an open session between ExCo members and stakeholders, but suggest that this section needs to much more fully developed. For example, when and where would such a session occur to ensure ExCo and stakeholder participation? Absent a formal consumer participation program, how would consumer interests weigh in on topics for discussion and participate in such sessions? As with the single consultation in the development of materials, a single annual ExCo public dialogue risks placing too many topics into a single session. We suggest this interaction might be better organized as multiple public dialogues with ExCo organized around ExCo meetings. In this way, the dialogues could occur in a timelier manner as new issues arise. Finally, a formal IAIS consumer participation program is essential for consumer participation in such an ExCo dialogue as well as other IAIS proceedings.	The timing will be determined by the Executive Committee in order to maximise participation and sufficient time will be devoted. The Executive Committee is also committed to working with consumer representatives to ensure appropriate engagement at these sessions.
National Association of Mutual Insurance Companies	USA	No	More information needs to be provided about these Executive Committee sessions. We are unclear whether this will be an in-person, teleconference and/or a webcast event. We do not clearly understand if these will be a couple of hours or full day events. To determine how this opportunity fits into the scope of stakeholder interactions at the IAIS it will be useful to have more information.	Specific information would be provided as the sessions are planned.
American Council of Life Insurers	USA	No	Comments: Modifications Suggested We welcome the commitment to have an open stakeholder consultation with the Executive Committee and urge that it be expanded to include the ability of stakeholders to attend any IAIS Annual Conference, Annual General Meeting, and Regional International Seminars, Committee and Subcommittee and/or other Working Group meetings as stated in our General Comments. We urge that, if the IAIS Bylaws are amended to vest additional authority to the Executive Committee, the	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			following information be provided publicly: - A calendar of all upcoming Executive Committee meetings, calls or other instances where a quorum is expected to exist and official business is conducted. - The Executive Committee meeting agenda - Detailed minutes of all Executive Committee meetings, including individual voting results The IAIS should also identify any proposed changes to the decision making process within the Executive Committee.	A public meeting schedule will be maintained. See prior response
CNA	USA	No	CNA believes that to be "open and transparent", Observer participation should be allowed in Committee (including Executive) and Sub-Committee meetings, unless the IAIS provides sound rationale as to why the discussions must be closed.	
NAIC	USA	No	More thought needs to be given and detail provided as to when and where and for how long these Executive Committee sessions will take place. Are these in-person meetings or conference calls or both? Will these be done in conjunction with events that are open to stakeholders in order to provide enough incentive to attend given the potential time and cost of travel? If not arranged in a practical manner, these could end up being ineffective and inefficient means to receive input from the wide variety of IAIS stakeholders.	The timing will be determined by the Executive Committee in order to maximise participation and sufficient time will be devoted. Specific information would be provided as the sessions are planned.
Property Casualty Insurers Association of America	USA	No	Executive Committee sessions can be valuable and we appreciate this provision. However, this does not compensate for closing other meetings and closing meetings combined with inviting "guests" into them. In addition, what records will be kept of them?	Appropriate minutes of these sessions will be made publicly available.
Comments on Section III.4				
World Federation of Insurance Intermediaries	Belgium	No	When needed, the IAIS proposes to conduct public dialogues and/or hearings. We believe that in any case several dialogues or hearings should be organised, one at the start of an issue, several during the drafting process -which could take several months- and one before the first consultation. Participation in these hearings should be open to the industry and to recognised sector federations and should not be on invitation.	The procedures allow for multiple public hearings as appropriate. Attendance at these hearings will not be restricted.

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
Institute of International Finance - IIF	Int'l	No	4. Public Dialogues We believe that public dialogues and/or hearings at the Committee level should be held on a regular basis (at least once a year), instead of an ad hoc basis.	A regular schedule of public hearings is being discussed in order to promote efficiency and planning
The Life Insurance Association of Japan	Japan	No	In terms of increasing Committee-level hearings, we would be interested to know what the intended frequency of public dialogues and/or hearings at the Committee level will be, as the document does not clarify this but only states that it will be held "when needed". Besides, while we are aware that those public dialogues and/or hearings should be held appropriately and on a timely basis depending on its subjects, for stakeholders who cannot always travel to participate in a public dialogue, there should be an option of participation via conference call.	A regular schedule of public hearings is being discussed in order to promote efficiency and planning
Association of British Insurers (ABI)	UK	No	- We are very supportive of the proposals to hold public hearings and dialogues. - We particularly welcome the statement that sufficient time should be devoted to these sessions in order to allow for sufficient dialogue and to ensure that the IAIS can impart and receive substantive information. - We note that under the current model of Observer Hearings, the allocated two hours have often proved to be insufficient for IAIS to provide insight into its thinking and for the interested Observers to offer their perspectives, let alone go into more detail or engage in dialogue.	
NAIC Consumer Representatives	USA	No	The proposal states the IAIS will, when needed, hold public dialogues at the Committee level with qualified experts on specific topics related to policy development. This proposal is vague - who determines if a public dialogue is needed? Who determines who a "qualified expert" is? Why is the proposal limited to public dialogues at the Committee level and not available at the Subcommittee, Working Group or Task Force levels? Again, these problematic issues could be largely avoided with open meetings, a formal consumer participation program and training for committee leadership in how to run meetings effectively and efficiently.	It will be up to a Committee, in consultation with its Subcommittees and the Secretariat, to determine when a public hearing is necessary on any issue(s).
National Association of Mutual Insurance Companies	USA	No	More information needs to be provided about these Public Dialogue sessions as well. We are unclear whether these will be conducted in-person, by teleconference and/or a webcast event. We do not clearly understand if these will be a couple of hours or full day events and whether any stakeholder will be invited to attend. To determine how this opportunity fits into the scope of stakeholder interactions at the IAIS it will be useful to have more information.	Attendance at the public hearings will not be restricted. Specific details will depend on the issue(s) being discussed.

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
American Council of Life Insurers	USA	No	Comments: Modifications Suggested In general, we believe that meetings that involve stakeholder "experts" should be open meetings. If the meetings are not open to all stakeholders, the chair's choice of inviting a specific category of guests or technical experts should be publicly disclosed on the IAIS website with a short summary of the rationale justifying the choice, and other stakeholders should have the opportunity to send a representative who meets the criteria so stated. This will avoid the perception that any one individual, group, or jurisdiction is favored by the IAIS.	Attendance at the public hearings will not be restricted.
CNA	USA	No	Will the public dialogues "with qualified experts on specific topics related to policy development" be by invitation only or open to all? CNA is not supportive of the former approach which provides limited perspective and could create an undue bias toward the view of an individual or select few companies.	Attendance at the public hearings will not be restricted.
NAIC	USA	No	How are these public dialogues different from what is suggested under VI.A.2 as part of the development and consultation process? Are these more topical dialogues versus ones focusing on supervisory or supporting material? Again, more thought should be given and details provided as to how these dialogues would be set up to ensure they are efficient, effective and worthwhile for stakeholders (and Members) to attend.	These public dialogues are distinct from the sessions during which comments are discussed as part of the development of supervisory and supporting material.
Property Casualty Insurers Association of America	USA	No	Public dialogues are valuable and we appreciate this provision. However, it is not clear what records will be kept of the comments made in them. Most fundamentally, however, they do not compensate for closing other meetings and closing meetings combined with inviting "guests".	Appropriate minutes of these sessions will be made publicly available.
Reinsurance Association of America	USA	No	We also welcome the expressed intention in the Draft Procedures to hold public dialogues or hearings at the Committee level on specified topics related to policy development. Again, the IAIS process should make certain that all impacted stakeholder views are represented, and that there is no appearance or creation of an unlevel playing field with respect to invited speakers or testimony.	Agree.
Comments on Section III.5				
Association of Mutual Insurers and Insurance Cooperatives	EU	No	In addition to the importance of broad availability/accessibility of documents for the transparency that the IAIS is striving for with its exercise of developing participation and consultation procedures, we emphasise that for effective participation in meetings from the distance a timely distribution of all materials is absolutely essential. Materials available "at the meeting" only and presentations that are not shared in advance (or online through a web-based conferencing tool) stand in the way of such effective	Agree.

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			participation.	
The Life Insurance Association of Japan	Japan	No	We appreciate the explicit commitment to providing information to stakeholders in a timely manner. Additionally, we would urge the IAIS to publicly disclose meeting materials as much as possible, as currently circulated to Observers. Specifically, we would request that draft documents of supervisory materials or supporting materials discussed in meetings be publicly available on its website, rather than make them public at the time of commencing the public consultation. We believe that the disclosure of draft materials discussed in meetings will increase the transparency of committee's activities. While this document does not clearly state what kind of information the Summary Record would provide, we believe that it is important to have detailed meeting minutes, naming speakers in ongoing discussions for facilitating proper understanding. Also, it would be worth considering conducting a webcast for meetings, in a similar way that other international organizations (e.g. IASB) currently do. To ensure a transparent process and prevent creating any political pressures in the future under a new alternative funding scheme without Observer fees, we would appreciate it if the IAIS will publicly disclose the contribution from each Member.	To be discussed Feasibility to be discussed. To be discussed
Association of British Insurers (ABI)	UK	No	As reflected throughout our response to this consultation, we would appreciate all steps to improve the IAIS' communication with stakeholders.	
NAIC Consumer Representatives	USA	No	We applaud the IAIS for committing to greater transparency with stakeholders. However, we suggest that summary records of meetings are insufficient to allow stakeholders to understand how and why decisions were made. We suggest more detailed minutes of meetings be developed and posted so stakeholders can better understand the different views of Members on particular issues and how those varying views were reconciled in the final decisions.	See prior response
The Fullilove Consulting Group	USA	No	Timely minutes are critically important to understanding developments. Existing IAIS summaries often do not reflect the discussion at the meetings. Both minutes and summaries will need to be improved if they are to replace the understanding observers now have from attendance at the meetings.	
National Association of Mutual Insurance Companies	USA	No	The commitment to public information on the website is helpful. We suggest that the list be augmented with a commitment to post full meeting minutes on the public site instead of just the meeting summaries. The current practice of providing the public with meeting summaries and not full minutes has limited the flow of information. In an effort to improve the process, the IAIS should add a required public	See prior response

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			dissemination of the full minutes that include a detailed description of the discussions. Also thirty-day advance notice of all meetings should be provided on the IAIS website including the date, time, location, call-in number, planned agenda and names, affiliation and member countries of any non-member guests invited to attend.	See prior response
Ann Henstrand & Morag Fullilove	US and EU	No	Timely minutes are absolutely necessary for a full understanding of IAIS developments. At present, the quality of summaries and minutes from subcommittee meetings vary greatly. If meetings are to be closed then specific guidance needs to be given to the secretariat as to the quality and detail of the summaries and minutes so that they adequately reflect the nature of the discussion.	Noted
American Council of Life Insurers	USA	No	Comments: Modifications Suggested We welcome the IAIS's commitment to provide public information, we would suggest the following additional measures: - Meeting agendas and notices, redacted as necessary for confidentiality reasons - Detailed minutes of all meetings, redacted or modified as necessarily for confidentiality reasons - An updated and complete schedule of meetings, dates and locations.	See prior response
American Insurance Association	USA	No	- IAIS meetings should be made available for viewing via a webcam, which would restore some of the transparency lost by barring stakeholders from meetings without requiring that time in meetings be dedicated to discussion with stakeholders. - All IAIS meetings should continue to be publicly announced, and a calendar of meetings should continue to be made available to stakeholders. - An agenda for each meeting should be published on the IAIS website within a reasonable amount of time prior to meetings, and IAIS Members should be available to discuss agenda items with stakeholders prior to the meeting. - All documents that will be discussed at an IAIS meeting should be posted for examination by stakeholders prior to meetings. - Conference calls between stakeholders and IAIS Members and staff should be held after each set of meetings to discuss the content and conclusions of the meetings.	Agree. See prior response See prior response Appropriate records will be provided

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			- Minutes (rather than a summary) from each meeting should be posted on the IAIS website for examination by stakeholders.	See prior response
NAIC	USA	No	Agendas of Committee and Subcommittee meetings should be made available to all stakeholder, as is currently the case for Observers, with sufficient advance notice and include the names and affiliations of guests who have been invited to attend meetings for specific agenda items. This would be an easy way to provide stakeholders with information as to the progress of ongoing work of the various working parties and issues they are addressing as well as provide transparency as to who is being asked to participate beyond Members. Exceptions could be made for agenda items or invited guests to not be included on the public agendas if they are confidential or related to extremely sensitive issues. In addition to summary records, public versions of meeting minutes should be posted. Summary records provide only limited information and are done in order to provide an update in a prompt manner until the minutes are available, which is currently the case for Observers. In order to maintain the existing level of information and transparency provided to Observers to the broader stakeholders, a stakeholder-appropriate version of minutes should be posted to the website as well.	See prior response See prior response
Property Casualty Insurers Association of America	USA	No	These are positive commitments. but do not compensate for closing meetings.	
Reinsurance Association of America	USA	No	The proposed distribution of information outlined in Section III.5 (website, monthly newsletter, summary records of meetings) is insufficient to keep apprised of developments that can occur in a compressed time frame, particularly for critical issues such as the development of capital standards. They are also insufficiently detailed to allow for a thorough understanding of the policy development process. At a minimum, if these channels of communication and participation are reduced, it will be critical to establish procedures for the timely provision of detailed minutes (as opposed to a summary record) of Committee Meetings and Working Group/Task Force meetings, including the identity of speakers and the provision of documents or supporting materials discussed. In addition, we urge the IAIS to consider alternative ways to allow for increased industry participation (or at least observation) of meetings, hearings or other dialogues, such as through webcasts or other means of public transmission of meetings and materials.	See prior response
Comments on Section III.6				
Association of Bermuda	Ber.	No	Stakeholder groups, so long as they do not develop into a substitution for all stakeholders, can be a useful device for the development of supervisory and supporting materials. We note, with interest, the	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
Insurers and Reinsurers			method taken by the International Organization of Securities Commissions (IOSCO). In December 2013, IOSCO revised its internal organization in an effort to enhance stakeholder contributions made to its ongoing policy and research work. IOSCO created the Affiliate Member Consultative Committee (AMCC) in recognition of the important role the practitioner perspective plays in the work of regulators. The AMCC is inclusive of all affiliate members (currently 62) and has been directed to contribute to specific work streams by the IOSCO Board.	
Association of Mutual Insurers and Insurance Cooperatives	EU	No	We take a generally positive stance towards the proposal to create stakeholders groups (having in mind a structure and function similar to those of the Stakeholder Groups of EIOPA under EU law). We feel however that this idea should not be followed immediately and/or with haste as the actual role of such stakeholder groups would have to be defined in the procedures on the development of IAIS material and on consultation. We understand, however, that finalising and approving the currently proposed document swiftly is a priority for the IAIS. We welcome therefore that the possibility of creating (a) stakeholder group(s) is left open, but would see the need for a clearly defined role and responsibility of such groups in a future version of the Procedures. It would also be paramount not to use the creation of (a) stakeholder group(s) as a "fig leaf" or possible replacement for a meaningful, comprehensive and transparent consultation processes as laid out on the current draft paper.	Agree.
NAIC Consumer Representatives	USA	No	This proposal allows the ExCo to create one or more formal stakeholder groups. This is a problematic proposal for several reasons. First, stakeholder is not defined in the glossary of terms, so there is no guaranty of a common understanding of stakeholder across members and Committee leadership. Second, no guidance is provided to ensure that stakeholders include consumer interests or that consultation with one stakeholder group does not give privileged access to one set of interests over another. Third, this is another, in a long list of mostly optional actions to ensure communication between stakeholders and Members necessitated by the proposal to close all meetings. The list of optional actions includes additional public consultations, additional public dialogues, invitation of certain stakeholders as guests to certain meetings and formal stakeholder groups in addition to the formal requirements for a public discussion following the single required consultation and the ExCo public dialogue. This is not an efficient method of obtaining stakeholder input nor does it ensure that the stakeholder input received will reflect the variety of stakeholder interests. Again, these problematic issues could be largely avoided with open meetings, a formal consumer participation program and training for committee leadership in how to run meetings effectively and efficiently.	The IAIS is committed to discuss with consumer representatives how best to engage and to ensuring that all Chairs properly engage such representatives.
The Fullilove Consulting Group	USA	No	Stakeholder groups can have value, but they can also serve to exclude much of the industry and to give those on the stakeholder group an unfair advantage in terms of regulatory developments. Much more	Stakeholder groups would be created to supplement

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
			consideration needs to be given to the role of the stakeholder group and equal access to the information.	other procedures, not to act as a limit.
National Association of Mutual Insurance Companies	USA	No	More information is needed to comment on the concept of Stakeholder Groups. Our thoughts will depend on how the groups will be created and the purpose for the creation of the groups. There are ways this could create additional barriers to IAIS access. Added barriers would not be favored by NAMIC.	Stakeholder groups would be created to supplement other procedures, not to act as a limit.
Ann Henstrand & Morag Fullilove	US and EU	No	Stakeholder groups because they are selective could give one group advantage over others in information access. Care should be taken if these are to be created that access is very broad, membership rotates, and representation is provided for from a range of differing geographies, organization size, professional backgrounds, lines of business, and other like criteria.	Stakeholder groups would be created to supplement other procedures, not to act as a limit.
American Council of Life Insurers	USA	No	Comments : Modification Suggested Regarding Stakeholder Groups. If a Parent Committee or the Executive Committee establishes a formal specific stakeholder group for consultation, the Chair by default should open the meeting to all stakeholders unless the rationale for closing a meeting or portion thereof is stated in writing and then the meeting or portion thereof should only be closed to the minimum extent required.	Noted.
CNA	USA	No	This appears to again limit participation to select participants. CNA is not supportive of an approach which provides limited perspective and could create an undue bias toward the view of an individual or select few companies.	Stakeholder groups would be created to supplement other procedures, not to act as a limit.
NAIC	USA	No	It is unclear what types of stakeholder groups are envisioned here, who would be involved and for what purposes. Does this mean setting up types of stakeholders (e.g., industry, consumer reps, international organizations, etc.)? Otherwise, if the IAIS is moving from Observers to be more inclusive of all relevant stakeholders, this suggests the contrary and that a specific, special group of select stakeholder could be formed. More thought needs to be given and detail provided on this proposal.	Stakeholder groups would be created to supplement other procedures, not to act as a limit.
Property Casualty Insurers Association of America	USA	No	We have many questions about this concept. How will it work in practice? Will it allow favoritism? In any event, this device does not compensate for closing meetings.	

Organisation	Jurisd.	Conf.	Comments	Resolution of substantive comments
Reinsurance Association of America	USA	No	With respect to the creation of stakeholder groups as contemplated by Section III.6, to the extent that such groups are created, we urge the IAIS to do so through a transparent and representative process to allow for input that is objective and comprehensive.	Agree.