

Compiled Comments on *Consultation: Proposed revised or new IAIS Glossary*
Definitions related to governance and group supervision

17-Jun-15 to 19-Aug-15

Organisation	Jurisdiction	Comments
1 - Comment on Glossary term: Board of Directors (Board)		
National Association of Mutual Insurance Companies	United States	This submission represents the collective comments of the membership of the National Association of Mutual Insurance Companies (NAMIC) in the United States. NAMIC is the largest property/casualty insurance trade association in the country. Its membership consists of more than 1,300 property/casualty insurance companies serving more than 135 million auto, home, and business policyholders, with more than \$208 billion in premiums accounting for 48 percent of the U.S. automobile/homeowners market and 33 percent of the U.S. business insurance market. More than 200,000 people are employed by NAMIC member companies. NAMIC concurs with the comments submitted to this consultation by the Global Federation of Insurance Associations (GFIA). We have no additional comments to this section but emphasize the importance of clear, consistent definitions to the overall ICP structure. The GFIA submission on the proposed revisions to the Glossary provide more clarity and consistency.
2 - Comment on Glossary term: Control functions:		
GFIA	international	A proposed new definition for "Control, including the terms "controlling' and "controlled by"" would read: "This term would be defined by the legislation of the applicable home jurisdiction that addresses the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a legal entity, whether through the ownership of voting securities, by contract, or common management or influence, or otherwise."
3 - Comment on Glossary term: Corporate Culture:		
4 - Comment on Glossary term: Corporate Governance:		
GFIA	international	The definition should be clarified to read: "A set of relationships between an insurer's board, senior management, customers and other stakeholders that provides a structure through which the objectives of the insurer are set, as well as the means of attaining those objectives and monitoring performance."
5 - Comment on Glossary term: Corporate Governance Framework:		
GFIA	international	The word "means" should be replaced with "structure".
6 - Comment on Glossary term: Financial conglomerate:		
GFIA	international	The definition should be clarified to read: "Two or more legal entities under common control, at least one of which is an insurance legal entity and one of which is a regulated entity in the field of securities or banking that has control over one or more insurance legal entities."

7 - Comment on Glossary term: Four eyes principle:		
8 - Comment on Glossary term: Head of the insurance group:		
9 - Comment on Glossary term: Head of the financial conglomerate:		
10 - Comment on Glossary term: Home jurisdiction:		
GFIA	International	The words "head office" should be replaced with "home office"; and the phrase "or principal place of management" should be deleted. The revised definition would read: "The jurisdiction in which either: (*) The insurance legal entity is incorporated or its home office is located, as applicable (for solo entities), or (*) The head of the insurance group or (insurance-led) financial conglomerate is incorporated or its home office is located, as applicable."
Monetary Authority of Singapore	Singapore	For consistency with the definition of "insurer", we propose to redraft the 2nd bullet point to: "the head of the insurance group (including insurance-led financial conglomerate) is incorporated or its head office or principal place of management is located, as applicable".
11 - Comment on Glossary term: Home supervisor:		
GFIA	International	The existing Glossary definition should be maintained, which reads: "The supervisor from the home jurisdiction. (see: home jurisdiction)."
Monetary Authority of Singapore	Singapore	For consistency with the definition of "insurer", we propose to redraft the 2nd bullet point to: "the head of the insurance group (including insurance-led financial conglomerate) is incorporated or its head office or principal place of management is located, as applicable".
12 - Comment on Glossary term: Host jurisdiction:		
Monetary Authority of Singapore	Singapore	For consistency with the definition of "insurer", we propose to amend this to "any jurisdiction other than the home jurisdiction in which the insurance legal entity has operations or the insurance group (including insurance-led financial conglomerate) has operations."
13 - Comment on Glossary term: Host supervisor:		
Monetary Authority of Singapore	Singapore	For consistency with the definition of "insurer", we propose to amend this to "the supervisor from any jurisdiction other than the home jurisdiction in which either the insurance legal entity has operations or the insurance group (including insurance-led financial conglomerate) has operations."
14 - Comment on Glossary term: Insurance Group:		
GFIA	international	The definition should be clarified to read: "Two or more legal entities, at least one of which is an insurance legal entity and at least one of which has control over an insurance legal entity, whose collective primary business is insurance."

15 - Comment on Glossary term: Insurance-led financial conglomerate:		
16 - Comment on Glossary term: Insurance legal entity:		
GFIA	international	The definition should be clarified to read: "A legal entity, including its branches, that is licensed to conduct insurance business and is regulated and subject to supervision in the home jurisdiction and applicable host jurisdictions (whether through its branches or the provision of services)."
17 - Comment on Glossary term: Insurer:		
18 - Comment on Glossary term: Internal controls:		
19 - Comment on Glossary term: Key functionaries:		
20 - Comment on Glossary term: Non-regulated Entity:		
21 - Comment on Glossary term: Outsourcing:		
22 - Comment on Glossary term: Risk appetite:		
23 - Comment on Glossary term: Risk Culture:		
24 - Comment on Glossary term: Risk Management:		
Financial Market Authority (FMA);Member	Austria	We would suggest to rephrase as follows to be more in line with Art. 44 Solvency II Directive: The processes established to ensure that all material risks of the insurer are identified, assessed, monitored, managed and reported on a timely and comprehensive basis.
Swiss Re	Switzerland	The new guidance 8.1.8 part of standard 8.1 on systems for risk management and controls includes a reference to early warning as a new monitoring function. The concept of "early warning" is not defined in the revised IAIS Glossary. We suggest to extend the definition of the term Risk Management as follows: "The processes established to ensure that all material risks of the insurer are identified, measured, limited, controlled, (INSERT: monitored) and reported on a timely and comprehensive basis". This extended definition of risk management reflects that risk management may consider also activities that do not automatically trigger supervisory interventions.
25 - Comment on Glossary term: Significant owner:		
26 - Comment on Glossary term: Suitability:		
27 - Comment on Glossary term: Whistleblowing:		