



Version updated on 9 March 2017

Comparison chart between the ComFrame material published as a revised draft in September 2014¹ and the ComFrame material integrated with ICPs 5, 7, 8, 9, 10 and 25

This table allows for easy comparison of the draft ComFrame text as of September 2014 in the old format and the current draft ComFrame text integrated with ICPs 5, 7, 8, 9, 10 and 25, in the new format. It also provides a brief explanation of the major differences between those two versions.

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N/A	CF 5.2a The group-wide supervisor requires the Head of the IAIG to ensure that the competence of the IAIG Board members, Senior Management and Key Persons in control functions includes possessing the knowledge necessary for fulfilling their role, taking into account the complexity and international nature of the IAIG, any specific features of the jurisdictions where the IAIG operates and the risks to which it is exposed.	It was considered as reasonable to include a standard addressing issues specific for IAIG, referring in particular to complexity and international nature of the IAIG.
N/A	CF 5.2a.1 The IAIG Board members (individually and collectively), Senior Management and Key Persons in control functions should have appropriate competences to manage the IAIG, such as knowledge and experience with international business and processes as well as different business models.	New guidance to address the concept of both individual and collective suitability of the IAIG Board members.
ComFrame Standard M2E2-1 The IAIG's Governing Body and Senior Management establish and implement a group-wide governance framework for the IAIG.	CF 7.0b The group-wide supervisor requires the Head of the IAIG to ensure that the corporate governance framework of the IAIG is appropriate to the structure, business and risks of the IAIG and its legal entities and includes policies, processes and controls which address risks across the IAIG and its legal entities.	The standard reworded in order to better address the need take into account specific features of the IAIGs in their corporate governance frameworks.

¹ <http://www.iaisweb.org/page/supervisory-material/common-framework//file/58726/revised-comframe-draft-2014>

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N/A	CF 7.0b.1 The IAIG should monitor that its corporate governance framework allows for the supervisory and legal obligations of its legal entities to be effectively met. The ultimate responsibility for the sound and prudent management of the IAIG rests with the IAIG Board.	New ComFrame guidance. It was added at the beginning not to repeat it in several places of ComFrame the necessity to comply with relevant supervisory and legal obligations.
Standard M2E1-1 The IAIG clearly identifies the legal and management structures and inter-relationships within the IAIG (IAIG Profile).	CF 7.0a The group-wide supervisor requires the Head of the IAIG to have a written outline of the legal and management structures of, and inter-relationships within, the IAIG to enable an understanding of its structure to help identify and manage risks.	The purpose of the standard was clarified, and merged with parameter M2E1-1-1.
Parameter M2E1-1-1 The IAIG Profile provides sufficient information to enable the IAIG to determine whether the legal and management structures give rise to any specific risks and to demonstrate how such risks are mitigated.	CF 7.0a (quoted above)	Parameter merged with the standard into CF 7.0a.
Guideline M2E1-1-1-1 The IAIG Profile includes items such as: • legal structure including off-balance sheet entities and branches • the jurisdictions within which entities are established/	CF 7.0a.1 The outline covers entities within the IAIG and, where relevant, the wider group and includes items such as: • the jurisdictions of legal entities within the IAIG, including branches; • home jurisdiction of the Head of the IAIG; • off-balance sheet entities; • materiality of legal entities or business lines within the IAIG financial and non-financial ties, such as common directors or commercial ties;	The guidance amended in order to reflect the new wording of the standard CF 7.0a. The bullets rearranged into a more logical order.

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incorporated, domiciled, or have operations, including through branches • interrelations/interlink ages (including financial and non-financial ties) with other entities • location of the Head of the IAIG • details of the shareholding structure and significant shareholdings, including controlling shareholders • governance structure including boards of directors and their committee structure • management structure, including management bodies and key responsibilities • materiality of entities or business units within the structure. Where the number of entities in the IAIG renders a single IAIG Profile unwieldy, the group-wide supervisor, in conjunction with the IAIG, should consider sub-profiles.	• details of the shareholding structure and significant shareholdings, including controlling shareholders; • governance structure, including boards and their committee structure and key responsibilities; and • management structure, including the division of authority and decision making between business line management, local management, and Board oversight.	

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Guideline M2E1-1-1-2 The IAIG Profile will assist in determining if the group structure and its inherent risks inhibit effective risk management and/or supervision of the IAIG.	N/A	Covered by CF 7.0a, relating to a written outline of the legal and management structures
Guideline M2E1-1-1-3 Matters which could give rise to such risks and need to be considered include: • complexity of the legal, management and shareholding structures, and of management responsibilities • geographic issues, such as domicile of group entities, place of incorporation, jurisdictions in which the IAIG is active • interrelationships, dependencies and the differing materiality of entities or business units • the ability to restructure the IAIG during, or in response to, periods of stress.	N/A	Covered in CF 8.1a and CF 8.2a.

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Guideline M2E1-1-1-4 The IAIG may establish a management structure with different degrees of centralisation or decentralisation. For example, the management structure may: • mirror the legal structure of the group • establish competence centres for certain lines of business • place certain functions in one location. Whatever structure is adopted, the IAIG should consider risks arising from: • the division of authority and decision making between business line management and local management • the availability of technical skills at business line and local level • difficulties in repositioning or restructuring the group where entities do not have the skills and systems necessary to continue operating without centralised group support.	N/A	Covered in the draft Application Paper on Group Corporate Governance.

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Guideline M2E1-1-1-5 It may be useful for the IAIG to map its management structure to its legal structure as an addition to its IAIG Profile. This may assist Senior Management of the IAIG to: • understand where risks from the management and legal structures may emerge • clarify the degree of centralisation or decentralisation of the management and control functions and identify challenges arising from the structure adopted • explain these to involved supervisors.	N/A	Covered in general in CF 7.0a, regarding a written outline of the legal and management structures.
Parameter M2E2-1-1 The IAIG's group-wide governance framework is well documented and contains adequate measures to: • promote effective group-wide governance • address risks arising from or affecting the IAIG • promote the protection of the interests and fair treatment of	N/A	Covered in ICP 7 and its introductory guidance.

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policyholders of insurance entities within the IAIG. The framework also takes due account of the jurisdictional requirements applicable to the entities within the IAIG, including any of their branches.		
Guideline M2E2-1-1-1 The group-wide governance framework should be aligned with the IAIG Profile.	N/A	Deleted as not consistent with the new concept of the written outline (which replaced the concept of the IAIG Profile).
Parameter M2E2-1-2 The IAIG's group-wide governance framework includes a code of conduct/ ethics and related policies and procedures. Such policies and procedures include appropriate mechanisms to identify and remove or mitigate conflicts of interests that may adversely affect the IAIG as a whole or any of its entities.	N/A	Covered by ICP 7.2.3 – 7.2.5.
Guideline M2E2-1-2-1 Due to the complexity of operations and the interactions within an IAIG, the management of conflicts of interest is an essential part of group governance.	CF 7.3b The group-wide supervisor requires the IAIG's Board to ensure that the group-wide corporate governance framework include policies and procedures to identify and avoid or mitigate conflicts of interests that may adversely affect the IAIG as a whole or any of its legal entities.	Part of the previous ComFrame guidance elevated to the standard level. Due to complexity and cross-border nature of IAIGs operations, it is important especially for IAIGs

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The IAIG should cover in the code of conduct/ethics and in related policies and procedures any conflicts of interest that may arise: - at the level of the Governing Body, Senior Management and Key Persons in Control Functions, and similar functions of IAIG and its entities - as between the interests of the entities amongst themselves, or as between the group-wide interests and those of any entity.	CF 7.3b.1 Conflicts of interest within an IAIG could arise: - at the level of the Board, Senior Management and Key Persons in Control Functions of the IAIG and of its legal entities; and - among the interests of the legal entities, or between the group-wide interests and those of any legal entity. For example, when the IAIG may be harmed by actions of an insurance legal entities within the IAIG or when an insurance legal entity within the IAIG may be harmed by the actions of the IAIG.	to have relevant policies and procedures addressing conflicts of interests.
Guideline M2E2-1-2-2 Where a conflict of interests cannot be avoided or fully mitigated, the policies and procedures should require the relevant individuals to inform their superiors or the Governing Body of the conflict and measures taken to mitigate its adverse impact.	CF 7.3b.2 Where a conflict of interest involving individuals or legal entities cannot be avoided, or mitigated, the policies and procedures should require the relevant individuals to inform their superiors or the relevant Board or the IAIG Board of the conflict and to take measures prescribed by the Board to mitigate its adverse impact.	Wording slightly improved.
ComFrame Standard M2E2-2 Standard 7.1 "The supervisor requires the insurer's Board to set and oversee the implementation of the	N/A	Covered by ICP 7.2

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insurer's business objectives and strategies for achieving those objectives, including its risk strategy and risk appetite, in line with the insurer's long term interests and viability."		
Parameter M2E2-2-1 The IAIG's Governing Body, in setting the IAIG's group-wide business objectives and strategies, takes into account: • applicable laws, regulations and risks which may arise from doing business in any particular jurisdictions in which the IAIG operates • legitimate interests and fair treatment of policyholders of insurance entities within the IAIG • any material issues relating to the governance of entities within the IAIG, and measures to address such issues. The group-wide business objectives and strategies inform its Enterprise Risk Management (ERM) framework, which in	CF7.2a The group-wide supervisor requires the IAIG Board to ensure that the group-wide business objectives and strategies for achieving those objectives take into account at least the following: • applicable laws and regulations of, and the risks which may arise from doing business in, the jurisdictions in which the IAIG operates; • long term financial soundness of the IAIG as a whole; • the interests of policyholders and other stakeholders; • fair treatment of customers; and • the interests and objectives of the insurance legal entities within the IAIG.	Wording slightly improved.

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turn feeds back into the group-wide strategies.		
Guideline M2E2-2-1-1 The IAIG's group-wide business objectives should reflect the group structure, and take due account of the interests and objectives of the entities within the IAIG as appropriate.	CF 7.2a (quoted above)	Guidance in the 2014 version elevated to the standard level (last bullet of CF 7.2a), because of importance of this issue in the context of cross-border nature of the IAIGs, consisting of entities situated in a number of jurisdictions.
N/A	CF 7.2a.2 The group-wide supervisor should cooperate and coordinate with the other involved supervisors to compare the interests and objectives of the IAIG with those of the insurance legal entities within the IAIG.	New guidance to support standard, based on previous ComFrame guideline.
Parameter M2E2-2-2 The Governing Body: - reviews the IAIG's overall business objectives and strategies to ascertain whether they remain adequate and appropriate - adopts appropriate measures to address any deficiencies or issues identified.	N/A	Covered in ICP 7.2.6
Guideline M2E2-2-2-1 The Governing Body should monitor on an on-going basis whether the IAIG's	N/A	Covered in ICP 7.2.6

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objectives and strategies remain adequate and appropriate. The Governing Body should undertake, at appropriate intervals, a review of the IAIG's business objectives and strategies in light of any changes in internal or external conditions, such as the legal, political or market environment, in which the IAIG's businesses operate.		
Parameter M2E2-2-3 The Governing Body establishes and maintains clear and objective performance goals and measures to be met by the Governing Body and Senior Management to achieve the IAIG's business objectives and strategies.	N/A	Covered in ICP 7.2.2
Guideline M2E2-2-3-1 The Governing Body should undertake, at least annually, an assessment of how the IAIG, the Governing Body and the Senior Management meet the performance goals and measures adopted.	N/A	Covered in ICP 7.2.6.
ComFrame Standard M2E2-3 Standard 7.2 "The supervisor requires the insurer's Board to:	N/A	Covered in ICP 7.1

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- ensure that the roles and responsibilities allocated to the Board, Senior Management and Key Persons in Control Functions are clearly defined so as to promote an appropriate separation of the oversight function from the management responsibilities; and - provide adequate oversight of the Senior Management."		
Parameter M2E2-3-1 The IAIG's Governing Body establishes a well-defined group-wide governance structure which includes clear reporting lines and promotes effective oversight of the IAIG's group-wide operations.	CF 7.1a The group-wide supervisor requires the IAIG Board to establish a well-defined group-wide governance structure which includes clear reporting lines and promotes effective oversight of the IAIG's group-wide operations independent of day-to-day management.	The reference to independence of day-to-day operations added.
Guideline M2E2-3-1-1 The Governing Body should not allocate any group-wide oversight responsibilities to those individuals involved in the day-to-day management of the operations of entities within the IAIG.	N/A	Covered in ICP 7.1.1

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Guideline M2E2-3-1-2 Where individuals undertake similar functions for more than one entity within the IAIG, the Governing Body adopts appropriate measures so that there is no conflict between the different roles to be performed by such individuals.	CF 7.1a.2 Where individuals undertake similar functions for more than one legal entity within the IAIG, the IAIG Board should adopt appropriate measures so that there is no conflict between the different roles to be performed by such individuals.	Slightly reworded.
Guideline M2E2-3-1-3 The Governing Body should establish clear reporting lines between the IAIG's Governing Body, Senior Management and Key Persons in Control Functions (on the one hand), and the Boards, Senior Management and Key Persons in Control Functions of entities within the IAIG (on the other hand). Similar reporting lines should also be established between and among the entities within the IAIG, as appropriate.	CF 7.1a.1 Clear reporting lines should exist between the IAIG Board, Senior Management and Key Persons in Control Functions, and the Boards, Senior Management and Key Persons in Control Functions of legal entities within the IAIG.	Revision for clarity.
Parameter M2E2-3-2 The Governing Body establishes processes for identifying and addressing any risks to the proper implementation of the IAIG's objectives and strategies, including any emerging risks.	CF 7.2a.1 The IAIG Board should establish processes for identifying and addressing any risks to the proper implementation of the IAIG's objectives and strategies for achieving those objectives, including any emerging risks.	Slightly reworded.
ComFrame Standard M2E2-4	N/A	Covered in ICP 7.3

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Standard 7.3 "The supervisor requires the insurer's Board to have, on an on-going basis: • an appropriate number and mix of individuals to ensure that there is an overall adequate level of knowledge, skills and expertise at the Board level commensurate with the governance structure and the nature, scale and complexity of the insurer's business; • appropriate internal governance practices and procedures to support the work of the Board in a manner that promotes the efficient, objective and independent judgment and decision making by the Board; and • adequate powers and resources to be able to discharge its duties fully and effectively."		
Parameter M2E2-4-1 The IAIG's Governing Body collectively has the relevant knowledge, skill and	CF 7.3a The group-wide supervisor requires that the collective competence of the IAIG Board includes, at a minimum, an understanding of:	M2E2-4-1 and M2E2-4-1-1 relevant guidance combined into one standard.

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expertise relating to the business of the IAIG to provide effective oversight of the IAIG's operations. The Governing Body also has adequate powers and resources to be able to discharge its group-wide role in respect of the IAIG.	• the governance and corporate structure of the IAIG; • the business of the legal entities within the IAIG, including associated risks; • the supervisory regimes applicable to the IAIG; • the issues that arise from cross-border business and international transactions; and • the governance, risk, compliance, audit and related areas that allow them to provide oversight in these areas and of the Control Functions.	
Guideline M2E2-4-1-1 The collective knowledge, skills and expertise of the Governing Body should include an understanding of: • the governance and corporate structure of the IAIG • the business of the entities within the IAIG including associated risks • the supervisory regimes applicable to entities within the IAIG • the issues that arise from any cross-border business and international transactions.	CF 7.3a (quoted above)	M2E2-4-1 and M2E2-4-1-1 relevant guidance combined into one standard.

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They should also have experience in the governance, risk, compliance, auditing, and related areas that allow them to provide oversight in these areas and of the Control Functions. Depending on the group structure of the IAIG, the Governing Body will exercise its powers in different ways.		
N/A	CF 7.3a.1 The IAIG's Board should be capable of understanding and describing the purpose, structure, strategy, material operations, and material risks of the IAIG, including those of legal entities in other financial sectors and unregulated legal entities that are part of the group.	New guidance to support the revised standard.
Parameter M2E2-4-2 An adequate number of the members of the Governing Body are independent of the entities within the IAIG.	N/A	Covered by ICP 7.3.8.
Guideline M2E2-4-2-1 The number of members of the Governing Body who are independent of the entities within the IAIG could vary, depending on the governance structure of the IAIG. The IAIG should be able to demonstrate that the number of independent	N/A	Covered by ICP 7.3.8.

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members on the Governing Body is sufficient, in light of its risk profile and operations, to be able to bring an adequate degree of objectivity to the decision making process.		
Parameter M2E2-4-3 The Governing Body has adequate internal governance procedures, structures and arrangements appropriate to its business and operations.	N/A	Covered in ICP 7.3.4
Guideline M2E2-4-3-1 The Governing Body is generally expected to establish committees of the Governing Body with clear reporting lines. These committees should exercise adequate oversight over, among other things, audit, compliance, risk management and remuneration, both at the group-wide and entity level. Where the Governing Body does not establish committees, it is expected to demonstrate to the group-wide supervisor that the Governing Board as a whole can effectively carry out the functions with	N/A	Covered in ICP 7.3.6

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sufficient attention and depth.		
ComFrame Standard M2E2-5 Standard 7.6 "The supervisor requires the insurer's Board to: • adopt and oversee the effective implementation of a remuneration policy, which does not induce excessive or inappropriate risk taking, is in line with the identified risk appetite and long term interests of the insurer, and has proper regard to the interests of its stakeholders; and • ensure that such a remuneration policy, at a minimum, covers those individuals who are members of the Board, Senior Management, Key Persons in Control Functions and other employees whose actions may have a material impact on the risk exposure of the insurer (major risk-taking staff)."	N/A	Covered in ICP 7.6

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Parameter M2E2-5-1 The IAIG's group-wide remuneration policy: • is consistent with the group-wide business objectives and strategies and any jurisdictional requirements applicable to the entities within the IAIG • does not contain incentives for excessive or inappropriate risk taking by major risk-taking staff of any entities within the IAIG • has proper regard to the interests of policyholders of insurance entities within the IAIG.	N/A	Covered by ICP 7.6.
Guideline M2E2-5-1-1 The group-wide remuneration policy may have a structure which contains elements of group-wide and entity based remuneration policies and practices. The Governing Body should: • undertake at least annually an assessment of the effectiveness and appropriateness of the group-wide remuneration	N/A	Covered by ICP 7.6.

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policy to ascertain that it is implemented effectively and is operating as intended - include within its assessment any entity specific remuneration policy or practice - address promptly and effectively any identified gaps or deficiencies in the remuneration policies or practices at the group-wide or entity level.		
ComFrame Standard M2E2-6 Standard 7.8 "The supervisor requires the insurer's Board to have systems and controls to ensure the promotion of appropriate, timely and effective communications with the supervisor and relevant stakeholders on the governance of the insurer."	N/A	Covered by ICP 7.9 (which removed reference to external stakeholders)
Parameter M2E2-6-1 The IAIG's Governing Body adopts and implements a group-wide communication strategy which: provides adequate information to the group-wide	N/A	First part covered in ICP 7.9. The second bullet covered by CF 7.0.2.

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supervisor and other involved supervisors relating to the group governance of the IAIG as a whole takes account of the jurisdictional legal, supervisory and other requirements applicable to entities within the IAIG as appropriate.		
N/A	CF 7.9a.1 The IAIG's systems and controls for communications should give the IAIG the ability to inform the group-wide supervisor of governance issues concerning both the IAIG as a whole and particular insurance legal entities within the IAIG.	New guidance aimed at addressing the IAIG specificity.
Parameter M2E2-6-2 The Governing Body designates individual(s) at an appropriate level of seniority as having responsibility for the accuracy and timeliness of the group-wide reporting to supervisors and of disclosures to the public.	N/A	Covered by ICP 7.9.
Parameter M2E2-6-3 The IAIG's group-wide communication strategy includes policies and processes for communication of	N/A	Should be covered by ICP 20.

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information to its external stakeholders, including to the public where required and as necessary. The policy clearly identifies who the relevant stakeholders are to whom information, and what type of information, needs to be provided.		
Guideline M2E2-6-3-1 The type of stakeholders of the IAIG and entities within the IAIG may not always be the same, although there could be some common stakeholders.	N/A	Should be covered by ICP 20.
ComFrame Standard M2E2-7 Standard 8.1 "The supervisor requires the insurer to establish, and operate within, effective systems of risk management and internal controls".	CF 8.1a The group-wide supervisor requires the Head of the IAIG to establish, and operate within, an appropriately documented and effective risk management system that operates at all levels of the IAIG and covers, at a minimum, the: • diversity of activities of the IAIG; • nature and degree of risk of individual legal entities or business lines; • cumulative risks at the level of the IAIG, in particular cross-border risks; • interconnectedness of the legal entities within the IAIG; • sophistication and functionality of information and reporting systems in addressing key group-wide risks; and	The content of the standard expanded to address the IAIG specificity.

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	laws and regulations of the jurisdictions where the IAIG operates.	
Parameter M2E2-7-1 The IAIG's Governing Body oversees the effective group-wide implementation of the IAIG's risk management and internal control systems.	N/A	Covered by ICP 7.1.
Guideline M2E2-7-1-1 The risk management and internal control systems should take into account the legal and governance requirements of jurisdictions where the entities within the IAIG are established or operate.	CF 8.1a (quoted above)	Covered by last part of CF 8.1.
Parameter M2E2-7-2 The IAIG's risk management system: - is integrated in its organisational structure, decision making processes, business operations and culture is clearly defined and well documented - takes into account the IAIG's overall business strategy, including risk appetite, relevant objectives and the proper allocation of	CF 8.1a.1 The IAIG's risk management system should: - be integrated with its organisational structure, decision-making processes, business operations, legal entities and risk culture;; and - measure the risk exposure of the IAIG against the risk appetite limits on an on-going basis in order to identify potential concerns as early as possible.	First two bullets converted into guidance; parameter was too prescriptive for a standard and some details are addressed in guidance to ICP 8.1.
	CF 8.1b The group-wide supervisor requires the Head of the IAIG to review annually the risk management system to ensure that emerging risks are taken into account and necessary modifications and improvements are identified and made in a timely manner.	Last bullet converted into a separate standard.

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responsibilities for risks across the activities and organisational units within the IAIG - contains appropriate written policies and processes for the identification, assessment, monitoring and reporting of groupwide risks and for taking risk into account in decision-making at the IAIG level and entity levels - is reviewed periodically and improved as necessary.		
N/A	CF 8.1a.2 The Head of the IAIG should ensure that a risk assessment is carried out before the IAIG enters into new business lines and products and that ongoing risk assessment is carried out after entering into new business areas. The Head of the IAIG should have in place adequate processes, controls and systems to manage the risks of new products.	New text based on Joint Forum for the supervision of financial conglomerates implementation criteria and standard 24.
N/A	CF 8.1c The group-wide supervisor requires the Head of the IAIG to have in place processes and procedures for promoting an appropriate risk culture.	New text based on Joint Forum for the supervision of financial conglomerates implementation criteria and standard 22.
N/A	CF 8.1c.1 Processes and procedures for promoting an appropriate risk culture should include risk management training,	New text based on Joint Forum for the supervision of financial

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	address the issue of independence and create appropriate incentives for staff.	conglomerates implementation criteria and standard 22.
Parameter M2E2-7-3 The IAIG's internal control system: - provides appropriate controls for group-wide processes and risks, including those arising from intra-group transactions - is a coordinated group-wide framework that takes into account the control environment across the IAIG - has controls in respect of risks from the process or transactional level to that of the entity level and to the group level.	CF 8.2a The group-wide supervisor requires the Head of the IAIG to ensure that the internal controls system at the group-wide level is appropriately documented and covers at a minimum the: diversity of the activities of the IAIG, including geographical reach of the activities of legal entities within the IAIG; intra-group transactions; interconnectedness of the legal entities within the IAIG; and laws and regulations of the jurisdictions where the IAIG operates.	Wording slightly improved. The requirement to document the internal controls system.
N/A	CF 8.2b The group-wide supervisor requires: the Head of the IAIG to assess annually that the internal controls systems at the group-wide and legal entity levels are coherent, complete and effective; annual testing and assessments carried out by an independent objective party to determine the coherence, completeness and effectiveness of the internal controls system and its utility to the IAIG Board and Senior	Last part of ICP 8.2.4 elevated to the ComFrame standard level. Due to complexity of IAIGs operations, it is important for those groups to have an efficient internal controls system. In this context, in order to ensure efficiency, the IAIG's internal controls system should be assessed

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	Management for controlling the operations of the IAIG.	on a regular basis. In ICP 8 periodic testing and assessment is mentioned only in guidance.
ComFrame Standard M2E2-8 Standard 8.2 "The supervisor requires the insurer to have effective Control Functions with the necessary authority, independence and resources."	N/A	Covered in ICP 8.3.
Parameter M2E2-8-1 As part of the IAIG's checks and balances, the Governing Body establishes group-wide control functions for risk management, compliance, actuarial matters and internal audit and organises those functions in a manner that does not diminish either: • each entity's responsibility and ability to fulfil its own legal and regulatory obligations, including to policyholders or • each control function's ability to effectively discharge its respective group-wide responsibilities.	CF 8.3a The group-wide supervisor requires the Head of the IAIG to ensure that the tasks and responsibilities of the IAIG control functions, whether located at the level of the Head of the IAIG or within another entity of the IAIG, are clearly defined and that these IAIG control functions do not duplicate, limit or restrict the tasks and responsibilities of control functions at an insurance legal entity level. CF 8.3b The group-wide supervisor requires the IAIG control functions to: • coordinate with the control functions at the insurance legal entity level, and • evaluate group-wide internal management reporting.	Revised for clarity, and partly converted into guidance because too prescriptive for a standard.
Guideline M2E2-8-1-1 The IAIG may locate its group-wide control	CF 8.3a (quoted above)	Integrated into CF 8.3a.

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functions within the Head of the IAIG, or in an entity.		
Guideline M2E2-8-1-2 The IAIG should not combine control functions except under exceptional circumstances. The Governing Body should approve and periodically review the effectiveness of any arrangement where there is a combination of control functions.	CF8.3c The group-wide supervisor requires the IAIG Board to ensure that the IAIG control functions: • are not combined; • are subject to periodic review either by the IAIG internal audit function (for control functions other than internal audit) or an objective external party; • have unrestricted access, and periodically report, to the IAIG Board or one of its committees; • have access to people and information, on a group-wide or legal entity level, to carry out their responsibilities; and • are headed by persons who remain suitable for their role and meet any applicable professional qualifications and standards.	M2E2-8-2 and M2E2-8-1-2 merged into one standard.
Parameter M2E2-8-2 All control functions are properly authorised, positioned, and resourced and have unrestricted access, and periodically report, to the Governing Body or one of its committees.	CF 8.3c (quoted above)	M2E2-8-2 and M2E2-8-1-2 merged into one standard.
Guideline M2E2-8-2-1 The IAIG's control functions should possess sufficient knowledge regarding the markets where the IAIG is active and the risks to which it is exposed. Their authority to access people and	Covered by CF 5.2a (quoted above)	-

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information should include information on a group-wide or entity level as is necessary to carry out their respective group-wide duties. Control functions should be subject to periodic evaluations (by an external evaluator where appropriate) and engage in continuing improvement of their respective areas.		
ComFrame Standard M2E2-9 Standard 8.3 "The supervisor requires the insurer to have an effective risk management function capable of assisting the insurer to identify, assess, monitor, manage and report on its key risks in a timely way."	N/A	Covered by ICP 8.4
Parameter M2E2-9-1 At a minimum, the IAIG's group-wide risk management function: coordinates and monitors consistent implementation of the IAIG's risk management mechanisms and activities throughout the IAIG at both the entity level and at the overall group-wide level	CF 8.4a – first bullet (quoted below)	Part of the parameter covered in ICP 8.4.4

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- coordinates the Enterprise Risk Management (ERM) activity across the IAIG and is responsible for ensuring that the groupwide ERM policy is adhered to within the ERM Framework and that the ERM Framework is implemented and operational - promotes an appropriate risk culture. The risk management function ensures that risk management and risk control activities are separated from risk taking activities.	CF 8.4b The group-wide supervisor requires the IAIG risk management function to separate risk control activities from risk taking activities.	
Guideline M2E2-9-1-1 The group-wide risk management function should: - set out the expectations relating to the responsibilities and reporting requirements of the risk management function of each entity within the IAIG, as applicable - set procedures and processes for effective interaction between the risk	CF 8.4a The group-wide supervisor requires the Head of the IAIG to ensure that the IAIG risk management function, at a minimum: coordinates and monitors consistent implementation of the risk management mechanisms and activities throughout the IAIG at both the group-wide level and at the legal entity level; sets out expectations relating to the group-wide responsibilities and reporting requirements of the risk management function of each legal entity within the IAIG, as applicable; sets procedures and processes for effective interaction between the risk management functions of the Head of the IAIG and of the legal entities within the IAIG;	The wording improved.

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management functions of the entities within the IAIG and that of the Head of the IAIG • assess the risk strategy of the IAIG and ensure that this risk strategy and policy are implemented at the group-wide level, as appropriate • conduct an assessment of risks at the group-wide level, entity and key business/unit/product level, • take other actions as required by the Governing Body, and • establish an annual group-wide risk management plans for approval of the Governing Body.	• assesses the risk strategy of the IAIG and ensures that this risk strategy, including supporting processes, is implemented at the group-wide level; • conducts an assessment of risks at the group-wide level, legal entity and key business line level; • establishes an annual group-wide risk management plan which is approved by the IAIG Board; and • makes at least quarterly risk management reports to the IAIG Board or one of its committees.	
Guideline M2E2-9-1-2 The IAIG's group-wide risk management function is generally led by a senior-level Group Chief Risk Officer (Group CRO) (or similar designation), who has direct access to the Governing Body and who focuses on	N/A	Covered by ICP 8.4.1

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group-wide risks and the ERM framework.		
Guideline M2E2-9-1-3 The IAIG's group-wide risk management function should report on its key activities to the Governing Body or one of its committees. The reporting should also include information on the steps the IAIG is taking to address the material risks to which the IAIG is, or may be, exposed.	N/A	Covered by ICP 8.4.3
ComFrame Standard M2E2-10 Standard 8.4 "The supervisor requires the insurer to have an effective compliance function capable of assisting the insurer to meet its legal and regulatory obligations and promote and sustain a corporate culture of compliance and integrity."	N/A	Covered by ICP 8.5
Parameter M2E2-10-1 At a minimum, the IAIG's group-wide compliance function: establishes the framework for the group-wide compliance function, including appropriate policies and a	CF8.5a The group-wide supervisor requires the Head of the IAIG to ensure that the IAIG compliance function coordinates and monitors consistent implementation of the IAIG's compliance mechanisms and activities including, at a minimum: appropriate policies and processes regarding the legal and regulatory obligations, and the internal policies, of the IAIG and its legal entities; assessments of the material legal and regulatory obligations	Revised in order to better reflect the IAIG specific features and address importance of the group-wide compliance function for the IAIGs.

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code of conduct - coordinates and monitors consistent implementation of the IAIG's group-wide compliance mechanisms and activities throughout the IAIG at the group-wide and entity level - contributes to the setting of the group-wide corporate culture and values.	and compliance risks of the IAIG, and the steps being taken to fulfil or address them, at least annually and as required by the Board; - development and embedding of group-wide corporate values throughout the IAIG; - assessments of how the IAIG itself and the legal entities within the IAIG are performing against compliance standards and goals; - periodic written reports on its activities to the IAIG's Board or one of its committees; and - an annual group-wide compliance plan which is approved by the IAIG Board.	
Guideline M2E2-10-1-1 The IAIG's group-wide compliance function should: - conduct assessments of the material compliance risks of the IAIG at least annually and as required by the Governing Body - establish an annual group-wide compliance plan for approval by the Governing Body.	Covered by CF8.5a (quoted above)	
Guideline M2E2-10-1-2 The IAIG's group-wide compliance function is normally led by a Group Chief Compliance Officer (Group CCO) (or	N/A	Covered in ICP 8.5.3

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similar designation) who has direct access to the Governing Body and who focuses on group-wide compliance matters and risks.		
Guideline M2E2-10-1-3 The IAIG's group-wide compliance function should provide to the Governing Body, or one of its committees, reports covering its key activities. The reporting should also include information on: • investigations and material compliance violations or concerns, or any compliance issues involving individuals in Senior Management or in Key control functions, • material fines or other disciplinary actions taken by any supervisor in respect of any entity or employee of such entities within the IAIG.	N/A	Covered in ICP 8.5.4
ComFrame Standard M2E2-11 Standard 8.5 "The supervisor requires that there is an effective actuarial function capable of evaluating and	N/A	Covered by ICP 8.6

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providing advice to the insurer regarding, at a minimum, technical provisions, premium and pricing activities, and compliance with related statutory and regulatory requirements."		
Parameter M2E2-11-1 The IAIG has an effective group-wide actuarial function which provides an overview of the actuarial matters and advice to the Governing Body on actuarial activities, functions and risks arising within or emanating from insurance entities within the IAIG.	CF 8.6a The group-wide supervisor requires the Head of the IAIG to ensure that the IAIG actuarial function provides an overview of the IAIG's actuarial activities, functions and risks arising within or emanating from insurance legal entities within the IAIG. This overview includes, at a minimum: • group-wide risk assessment and management policies and controls relevant to actuarial matters or the financial condition of the IAIG; • the IAIG's solvency position, including a calculation of regulatory capital requirements and technical provisions; • the IAIG's prospective solvency position by conducting capital adequacy assessments and stress tests, under various scenarios, and measuring their relative impact on assets, liabilities, and actual and future capital levels; • development, pricing and assessment of the adequacy of the IAIG's reinsurance arrangements; and • actuarial-related risk modelling in the IAIG's Own Risk and Solvency Assessment (ORSA) and use of internal models.	M2E2-11-1 and M2E2-11-1-2 merged into one standard.

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Guideline M2E2-11-1-1 The IAIG's group-wide actuarial function should aggregate and review actuarial information at the group level. The form and implementation of a group-wide actuarial function may vary but should be designed to have an overview of the actuarial activities, function and risks of the insurance entities within the IAIG as a whole.	N/A	Not specific to IAIG. Considerations for groups covered in ICP 8.0.6 – 8.0.9.
Guideline M2E2-11-1-2 The IAIG's group-wide actuarial function could provide an overview and advice on matters such as: • the group-wide risks of the IAIG • the investment policies and the valuation of assets • the IAIG's solvency position, including a calculation of regulatory capital requirements and technical provisions • actuarial policies and controls	CF 8.6a (quoted above)	M2E2-11-1 and M2E2-11-1-2 merged into one standard.

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• distribution of dividends or other benefits • product development and design, including the terms and conditions of insurance contracts • actuarial-related risk modelling in a group Own Risk and Solvency Assessment (ORSA) and use of internal models • appropriateness of the group-wide ALM policy.		
Parameter M2E2-11-2 The IAIG's group-wide actuarial function cooperates with actuarial functions at the insurance entity level.	CF 8.6b The group-wide supervisor requires the IAIG actuarial function to: • work with the actuarial functions at the insurance legal entity level to review actuarial information; and • provide independent advice and reporting to the IAIG Board on the insurance activities and risks posed to the IAIG.	Wording improved and expanded to cover also the advisory role to the Board.
Guideline M2E2-11-2-1 The group-wide actuarial function should focus on group-wide reporting and disclosure as well as group-wide internal management reporting. The tasks and responsibilities of the	First part covered by CF 8.6b (quoted above) Second part covered by CF 8.3a (quoted above)	

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IAIG's group-wide actuarial function should be well defined and should not duplicate, limit or restrict the tasks and responsibilities of actuarial functions at an insurance entity level.		
Parameter M2E2-11-3 The IAIG's group-wide actuarial function provides independent advice to the Governing Body of the IAIG without that advice being subject to filtering by other members of Senior Management or other control functions at the group-wide and insurance entity levels.	N/A	Covered by ICP 8.3
ComFrame Standard M2E2-12 Standard 8.6 "The supervisor requires the insurer to have an effective internal audit function capable of providing the Board with independent assurance in respect of the insurer's governance, including its risk management and internal controls."	N/A	Covered by ICP 8.7
Parameter M2E2-12-1 The IAIG's internal audit function provides independent assurance to the Governing Body.	CF 8.7a The group-wide supervisor requires the IAIG Board to ensure that the IAIG internal audit function provides independent assessment and assurance to the IAIG Board regarding, at a minimum, the: • IAIG's group-wide policies, processes, and controls;	The content of the standard expanded to establish a minimum list of issues on which the IAIG internal audit function should provide

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	• overall means by which the IAIG preserves its assets, and those of policyholders, and seeks to prevent fraud, misappropriation or misapplication of such assets; • reliability, integrity and completeness of the accounting, financial, management, information technology systems and risk reporting information; • capacity and adaptability of IT architecture to provide information in a timely manner to the IAIG Board and Senior Management; and • design and operational effectiveness of the IAIG's group-wide risk management and internal controls systems, as well as of the totality of such controls.	independent assessment and assurance to the IAIG Board (based on the list included in ICP 8.7.2).
Guideline M2E2-12-1-1 The IAIG's group internal audit function is normally led by a Group Internal Auditor (or a similar designation) who focuses on group-wide internal audit matters and effective functioning of local audit functions.	N/A	It was decided not to include anything on persons.
Guideline M2E2-12-1-2 Such assurances are obtained through general and specific audits, reviews, testing and other techniques, which cover both group-wide and entity related issues.	N/A	Covered in ICP 8.7.2.
Guideline M2E2-12-1-3 Activities of the	CF 8.7a.1 The IAIG internal audit function coordinates with the internal audit	The part of the guidance, not

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IAIG's internal audit function should cover both the group-wide perspective and the entity perspective and should include: • reviewing and evaluating the adequacy and effectiveness of the IAIG's group-wide policies, processes, and controls • reviewing and evaluating documentation of the IAIG's groupwide policies, processes, and controls • monitoring and evaluating the effectiveness of the IAIG's other control functions, • coordinating with the external auditors of the entities within the IAIG.	functions and external auditors of the legal entities within the IAIG when providing assessment and assurance to the IAIG Board.	covered by CF 8.7a.1, is covered in ICP 8.7.7.
Parameter M2E2-12-2 The group-wide internal audit function is independent of the management of the IAIG and the entities within the IAIG, and has sufficient authority relating to group internal audit matters.	N/A	Covered in ICP 8.7 and developed in 8.7.3. Independence mentioned also in CF 8.7

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Guideline M2E2-12-2-1 The group-wide internal audit function should cover such matters as: - the establishment of minimum requirements regarding internal audit at the entity level - the reliability, integrity and completeness of the accounting, financial reporting, management information and information technology systems - the design and operational effectiveness of the IAIG's risk management and internal controls systems.	N/A	Covered in ICP 8.7.2.
ComFrame Standard M2E2-13 Standard 8.7 "The supervisor requires the insurer to retain at least the same degree of oversight of, and accountability for, any outsourced material activity or function (such as a Control Function) as applies to non-outsourced activities or functions."	N/A	Covered by ICP 8.7.
Parameter M2E2-13-1 The IAIG has a consistent group-wide policy for the	CF 8.8a The group-wide supervisor requires the Head of the IAIG to have: in place an appropriate policy which takes into account the	Parameter specified and expanded to refer explicitly also to written contracts

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outsourcing of activities or functions, and retains appropriate documentation for all such outsourcing. It should be accountable at a group level for its outsourcing activities in order to provide control over the process and effectively aggregate the impact these activities may have on groupwide governance and ERM.	potential impact of outsourcing of any material group-wide activity or function on the IAIG business, sets out the internal review and approvals required and provides guidance on the contractual and other risk issues to consider; and written contracts that clearly describe all material aspects of the outsourcing arrangement, including the rights, responsibilities and expectations of all parties.	(referred to in ICP 8.8.5). Last part covered by new standard CF 8.8d.
Guideline M2E2-13-1-1 The IAIG may outsource activities or functions of the entities within the IAIG to entities outside the IAIG (“external” outsourcing) or to one or more entities within the IAIG (“intra-group” outsourcing). Where the IAIG outsources any activities or functions of insurance entities within the IAIG, it should have in place adequate policies and procedures relating to its outsourcing, commensurate with the IAIG’s business and operations and the type of outsourcing arrangements it adopts. These	CF 8.8a (quoted above) CF 8.8b (quoted below)	Covered partly in CF 8.8a (quoted above) and CF 8.8b (quoted below), and partly in ICP 8.8.3 – 8.8.7.

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policies and procedures should: • distinguish clearly between intra-group and external outsourcing • require all material outsourcing arrangements to be governed by written contracts • describe how the IAIG as a whole and the relevant entities within the IAIG will be affected in terms of the risk levels both at the entity level and IAIG as a whole require an assessment of: ○ the service providers' service capability and financial viability ○ risks arising from outsourcing multiple activities to the same outsourcing provider • provide for group-wide monitoring and oversight of the outsourced (intra-group or external) activities		

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• contain adequate guidance for the types of contractual and risk issues to consider, including any terms changing or terminating the outsourcing arrangement and the need for continuity of services in event of an insolvency • contain adequate terms and conditions such that when the IAIG outsources any data or record keeping functions, the relevant legal entity is able to access data relevant to its business and operations • be subject to periodic reviews, including by internal audit.		
Parameter M2E2-13-2 The IAIG's policy and processes are designed to ensure that outsourcing arrangements do not diminish the IAIG's or the individual insurance entities' ability to fulfil their respective legal and regulatory obligations.	CF 8.8b When choosing a service provider for a material group-wide activity or function that is to be outsourced, the group-wide supervisor requires the Head of the IAIG to: • perform a detailed assessment of the potential service provider's ability and capacity to deliver the outsourced activities or functions; • perform due diligence on the service provider with respect to explicit or potential conflict of interests that would jeopardise	Revised version is broader, covering greater number of risks (as opposed to just legal and regulatory obligations).

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	the fulfilment of the needs of the IAIG; and ensure that the service provider has the necessary financial resources to perform the outsourced activities or functions in a proper and reliable way, as well as adequate contingency plans in place to deal with emergency situations or business disruptions.	
N/A	CF 8.8c The group-wide supervisor requires the Head of the IAIG to ensure that outsourcing of a group-wide activity or function (either to an insurance legal entity within the IAIG or to an external service provider) does not impede effective supervision at the level of the IAIG.	New text based on Joint Forum for the supervision of financial conglomerates implementation criteria and standard 25.
N/A	CF 8.8d The group-wide supervisor requires the Head of the IAIG to carry out a review of the cumulative risks of all outsourced activities and functions periodically and take all necessary actions to address any identified risks.	New standard to address explicitly one of the issues covered to a certain extent in M2E2-13-1 M2E2-13-1-1.
ComFrame Standard M2E2-14 Standard 7.7 “The supervisor requires the insurer’s Board to ensure there is a reliable financial reporting process for both public and supervisory purposes which is supported by clearly defined roles and responsibilities of the Board, Senior Management and the external auditor.”	N/A	Covered in ICP 7.7.

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Parameter M2E2-14-1 The IAIG has systems and structures in place to fulfil reporting and disclosure needs on a group-wide basis. The group-wide reporting structure of the IAIG: • fully meets any jurisdictional legal or other requirements applicable to the Head of the IAIG and the entities within the IAIG • is subject to adequate safeguards and controls and provides unrestricted access and adequate flow of information for the purposes of group-wide financial reporting within and across the entities within the IAIG.	N/A	Covered by ICP 7.7.
Guideline M2E2-14-1-1 The IAIG has in place processes to identify jurisdictional differences in financial reporting requirements applicable to entities within the IAIG and to make appropriate adjustments and intra-group eliminations for the general purpose	N/A	Covered by ICP 7.7.2.

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consolidated financial reporting of the IAIG. The group-wide reporting structure contains adequate financial controls to enable reliable reporting and the identification of potential risks and weaknesses in the financial reporting processes at the group level and the entity level so that these can be properly addressed and remediated on a timely basis.		
Parameter M2E2-14-2 The IAIG's annual and interim reports to the group-wide supervisor are submitted on a timely basis and in a form suitable for the groupwide supervisor to share with other involved supervisors.	N/A	Reporting covered by ICP 9. The issue of timing is covered by ICP 9.4.11 and 9.4.13. The issue of clarity is covered by ICP 9.4.4.
Guideline M2E2-14-2-1 Appropriate timeframes for the submission of reporting information would be: • 90 days after the financial year end for annual information • 60 days after the end of the reporting period for interim information.	N/A	The issue of timing covered in ICP 9.4.11 and 9.4.13.

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Guideline M2E2-14-2-2 Reports submitted on an interim basis may be less comprehensive than the annual reports.	N/A	Reporting covered by ICP 9. The text fits more an application paper rather than guidance.
Parameter M2E2-14-3 The IAIG provides a reconciliation of the material differences between its reporting for capital adequacy purposes and the reporting used in its public financial statements.	N/A	Reporting covered by ICP 9. Guidance ICP 9.4.7 – 9.4.9 elaborate on external audit of the financial statements.
Parameter M2E2-14-4 The IAIG provides a clear explanation of its strategy and governance structure in sufficient detail to allow the group-wide supervisor to understand the direction of the IAIG and its key entities and business lines.	CF 7.2b The group-wide supervisor requires the Head of the IAIG to provide, at least annually, a clear, detailed explanation of the strategy that the IAIG Board has set for the IAIG as a whole and its key legal entities and business lines.	The wording amended in order to clarify the objective of the requirement.
Guideline M2E2-14-4-1 The IAIG's strategy explanation includes matters such as: - the overall business model - material lines of business and how they are likely to develop - non-insurance business the IAIG is likely to pursue - the geographic emphasis of the	CF 7.2b.1 The explanation of the strategy that the IAIG Board has set for the IAIG should include matters such as: - the overall business model and its rationale; - material business lines and how they are likely to develop; - non-insurance business the IAIG is likely to pursue; - the geographic emphasis of the IAIG and any likely changes; - anticipated changes in market share; - the consequences (financial or otherwise) of achieving, or not achieving, the strategy; and	Guidance for M2E2-14-4-1 and M2E2-14-4-2 merged.

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IAIG and any likely changes • anticipated changes in market share.	• how the strategy ensures the IAIG will have the ability to fulfil its obligations to policyholders.	
Guideline M2E2-14-4-2 The explanation that the IAIG provides should include matters such as: • the rationale for the business model the IAIG has chosen • the consequences (financial or otherwise) of achieving, or not achieving, the strategy • an explanation of how the strategy ensures the IAIG will have the ability to fulfil its obligations to policyholders.	CF 7.2b.1 (quoted above)	Guidance for M2E2-14-4-1 and M2E2-14-4-2 merged.
Parameter M2E2-14-5 The IAIG informs the group-wide supervisor of changes in: • legal structures management structures • governance structure • affiliations with other groups and • domicile of entities.	CF 7.1b The group-wide supervisor requires the Head of the IAIG to report – through regularly scheduled or ad hoc reporting – material changes related to the following, at a minimum: • domicile of legal entities; • legal structures; • management structures; • governance structure and processes of the IAIG Board to evaluate its effectiveness; • affiliations with other groups; • strategy; • risk appetite; and • business activities.	Parameters M2E2-14-5 and M2E2-14-6 merged into one standard.

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Guideline M2E2-14-5-1 The IAIG should provide information relating to changes in matters such as: • business objectives and strategies of the IAIG as a whole and any entities within the IAIG as relevant, including any significant changes to those objectives and strategies • the IAIG's governance structure, such as allocation of oversight and management responsibilities within the IAIG • processes in place to evaluate the effectiveness of the governance structure • the group-wide remuneration policy, in particular its design, operation and implementation • any significant affiliations with other entities or groups.	N/A	Covered by ICP 9.4 and related guidance.
Parameter M2E2-14-6 The IAIG notifies the group-wide supervisor of significant changes to its strategy, business model and	CF 7.1b (quoted above)	Parameter M2E2-14-5 and M2E2-14-6 merged into one standard.

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activities, and those of its entities. These include changes in: • strategy • risk tolerances • business activities.		
Parameter M2E2-14-7 The IAIG reports all material intra-group transactions and exposures to the group-wide supervisor.	N/A	Covered by ICP 9.4 and related guidance.
Guideline M2E2-14-7-1 The requirement to report material intra-group transactions to the group-wide supervisor does not interfere with or replace reporting requirements set by supervisors at the entity level.	N/A	Covered by ICP 9.4 and related guidance.
ComFrame Standard M3E1-1 The group-wide supervisor is responsible for the on-going supervisory process for the IAIG on a group-wide basis.	CF9.0a The group-wide supervisor, in cooperation with other involved supervisors, carries out a supervisory review to assess the IAIG's compliance with the relevant legislation and supervisory requirements which apply at the level of the IAIG.	New drafting, which reflects the decision to merge ComFrame Standards and ComFrame Parameters into a single level.
Parameter M3E1-1-1 The group-wide supervisor, in cooperation with the other involved		

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supervisors, carries out the process of supervisory review and reporting to assess the IAIG, including addressing the matters described in Module 2.		
<i>Guideline M3E1-1-1-1</i> <i>The group-wide supervisory process is shaped by the structure of the IAIG and the degree to which its entities are autonomous.</i>	N/A	Covered in ICP 9.1.4.
Parameter M3E1-1-2 The group-wide supervisor determines the appropriate level of supervisory intensity for the IAIG overall and identifies specific risks or activities that may require heightened supervisory focus.	N/A	Covered partly in sixth bullet of ICP 9.0.2.
<i>Guideline M3E1-1-2-1</i> <i>Determination of the supervisory intensity assists the group-wide supervisor and other involved supervisors in allocating resources effectively and efficiently.</i>	N/A	Covered in ICP 9.2.
Parameter M3E1-1-3 The group-wide supervisor establishes	CF9.2a The group-wide supervisor's supervisory plan for an IAIG includes	Parameter M3E1-1-3 and Standard M3E1-2 merged

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a supervisory plan for the IAIG, in cooperation with other involved supervisors, taking into account all information available and adapted according to changing circumstances.	a group-wide risk assessment which is conducted at least annually. CF9.2a.1 The group-wide risk assessment is conducted with inputs from the supervisory process. CF9.2a.2 The group-wide supervisor should consider the results of the IAIG's enterprise risk management framework and the IAIG's ORSA assessment, as part of the group-wide risk assessment.	into one standard. The main requirement included in the standard, and developed further in guidance.
<i>Guideline M3E1-1-3-1</i> <i>The supervisory plan should take into account a long-term perspective as well as a short-term perspective. This should result in a comprehensive analysis of risks and operations, over a period of time, as well as enabling a focus on current significant risks.</i>	N/A	Covered in standard ICP 9.3 and guidance ICP 9.3.1 – 9.3.3.
Parameter M3E1-1-4 The group-wide supervisor analyses information submitted by the IAIG. Where the need for additional information is identified, the group-wide supervisor requires the IAIG to provide the necessary information on a group-wide and/or entity basis. The group-wide supervisor communicates such information to the other involved	N/A	Covered in ICP 9.5 (last bullet) and ICP 9.5.10.

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supervisors, where appropriate.		
<i>Guideline M3E1-1-4-1</i> <i>Where required, involved supervisors should request their respective local entities to provide the necessary information to the involved supervisor for onward submission to the group-wide supervisor.</i> <i>The group-wide supervisor should take into consideration information in the public domain such as market data, press reports, research papers and other publications at both the group and entity level.</i>	CF 9.2a.3 The group-wide supervisor should rely on information gathered on legal entities within the IAIG from other involved supervisors as another basis for the assessment of group-wide risk. Where other involved supervisors identify risks that may be relevant to the supervision of the IAIG at the group level, they should share their individual risk assessment CF 9.2a.4 The group-wide supervisor should consider inputs from other relevant supervisors not involved in the direct supervision of the IAIG (e.g., macro-prudential analysis, anti-money laundering or combatting the financing of terrorism inputs). N/A	Guidance developed to provide details as regards sources of information for input into the group-wide supervisor's risk assessment. Section deleted as supervisors already have full access to information in the public domain.
Parameter M3E1-1-5 The group-wide supervisor communicates with the Head of the IAIG on a regular basis.	CF9.0b The group-wide supervisor engages with the Head of the IAIG in order to assess how it is ensuring that the relevant legislation and supervisory requirements which apply at the level of the IAIG are met.	Drafting improved to set out the clear expectation towards the group-wide supervisor.
<i>Guideline M3E1-1-5-1</i> <i>The significance of the issues should determine whether the communication is with the Governing</i>	N/A	Covered in ICP 9.1.9.

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<i>Body, the Senior Management or Key Persons in Control Functions.</i>		
Parameter M3E1-1-6 The group-wide supervisor conducts off-site monitoring at the group-wide level.	N/A	Covered by ICP 9.5 and guidance ICP 9.5.1 and 9.5.2.
<i>Guideline M3E1-1-6-1 Off-site monitoring should cover the entire scope of the group. Other involved supervisors should be able to provide a perspective on individual entities and make their analysis available to the group-wide supervisor to the extent that their analysis contains issues material at the group-wide level.</i>	N/A	Covered in ICP 9.1.14
Parameter M3E1-1-7 The group-wide supervisor performs any on-site inspections at the level of the Head of the IAIG. The group-wide supervisor or other involved supervisors can join on-site inspections of an entity in another jurisdiction with prior consent from the relevant involved supervisor. Involved	CF9.6a The group-wide supervisor performs on-site inspections at the level of the Head of the IAIG. CF9.6b Where appropriate the group-wide supervisor, or other involved supervisors, join on-site inspections of an insurance legal entity in another jurisdiction with prior consent from the relevant involved supervisor and coordinated by that supervisor.	Minor redrafting.

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supervisors coordinate their on-site activities where relevant.		
<i>Guideline M3E1-1-7-1</i> <i>The group-wide supervisor's on-site inspections should consider group-wide activities that impact entities within the scope of the group.</i>	CF9.6a.1 The group-wide supervisor's on-site inspections should consider group-wide activities and major risks that impact entities within the IAIG.	Minor redrafting.
<i>Guideline M3E1-1-7-2</i> <i>On-site inspections require access to Key Persons in Control Functions and Senior Management responsible for the group-wide functions no matter in which entity these functions are performed.</i>	CF9.6a.2 During on-site inspections, the group-wide supervisor should have access to Key Persons in Control Functions and Senior Management responsible for the group-wide functions wherever these functions are performed.	Minor redrafting.
<i>Guideline M3E1-1-7-3</i> <i>Other involved supervisors should inform the group-wide supervisor of planned on-site inspections and communicate the main findings to the extent that they contain issues material at the group-wide level.</i> <i>Joint on-site inspections should be arranged whenever involved supervisors have a reasonable supervisory interest and whenever this</i>	CF9.6a.3 Other involved supervisors should inform the group-wide supervisor of significant planned on-site inspections and communicate the main findings to the supervisory college where they are material to the IAIG or to another insurance legal entity in the IAIG. CF9.6b.1 Joint on-site inspections should be arranged whenever involved supervisors have a reasonable supervisory interest and whenever this avoids duplication of work. CF9.6b.2 The main outcomes of joint on-site inspections that are material to the IAIG or to another insurance legal entity in the IAIG should be shared within the supervisory college.	Minor redrafting to clarify the expectation that the outcomes of joint on-site inspections will be shared within the supervisory college as the main forum for supervisory cooperation in IAIG supervision.

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<i>avoids duplication of work.</i>		
Parameter M3E1-1-8 The group-wide supervisor in conjunction with other involved supervisors regularly reviews the adequacy of the group-wide supervisory process for the IAIG.	N/A	Covered in ICP 9 9.1.
<i>Guideline M3E1-1-8-1 The group-wide supervisor, in conjunction with other involved supervisors, should take into consideration market developments and the potential impact to policyholders of the risks assumed by the IAIG, when reviewing or updating the supervisory process.</i>	N/A	Covered in ICP 9.1.11 – 9.1.13.
ComFrame Standard M3E1-2 The group-wide supervisor undertakes a group-wide risk assessment of the IAIG in cooperation with other involved supervisors.	CF9.2a (quoted above)	Parameter M3E1-1-3 and Standard M3E1-2 merged into one standard. The main requirement included in the standard, and developed further in guidance.
Parameter M3E1-2-1 In assessing the possible impact of developments on an	CF9.2b The group-wide supervisor's group-wide risk assessment of the IAIG includes, at a minimum:	The initial drafting, which was setting only high level expectations on the

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IAIG, the group-wide supervisor considers the potential consequences for policyholders and other involved stakeholders, and the overall stability of the markets in which the IAIG operates.	[...] - the macro-prudential environment in which the IAIG operates; [...] an assessment of the potential impact that the IAIG's failure would have on policyholders, the insurance market, and the financial markets as a whole. <i>(full standard quoted below)</i>	contents of the joint risk assessment, is now replaced with a comprehensive set of expectations for the group-wide supervisor to meet when undertaking the group wide risk assessment in standard CF 9.2b.
<i>Guideline M3E1-2-1-1</i> <i>This assessment should consider the:</i> - size of the IAIG - market share at entity and group level - impact on policyholders in different jurisdictions - overall market capacity - activities undertaken - resolvability of the IAIG.	N/A	
<i>Guideline M3E1-2-1-2</i> <i>Where other involved supervisors identify risks that may be relevant to the supervision of the IAIG at the group level, they should share this information with the group-wide supervisor. The group-wide supervisor should share and</i>	CF9.2a.3 The group-wide supervisor should rely on information gathered on legal entities within the IAIG from other involved supervisors as another basis for the assessment of group-wide risk. Where other involved supervisors identify risks that may be relevant to the supervision of the IAIG at the group level, they should share their individual risk assessment. CF9.2a.4 The group-wide supervisor should consider inputs from other relevant supervisors not involved in the direct	Improved guidance.

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<i>discuss the information with the supervisory college to determine and coordinate the supervisory action to be taken.</i>	supervision of the IAIG (e.g., macro-prudential analysis, anti-money laundering or combatting the financing of terrorism inputs).	
<i>Guideline M3E1-2-1-3</i> <i>Horizontal reviews may be useful in identifying market developments. They may be conducted by the group-wide supervisor in cooperation with group-wide supervisors of other IAIGs. Horizontal reviews should be subject to confidentiality requirements and should be conducted in a way such that they:</i> • <i>provide a point of comparison so that risk assessment of each IAIG is not made in isolation</i> • <i>assess the impact of market-wide risks or identify market-wide risks</i> • <i>provide input into macroprudential surveillance and also use</i>	CF9.2a.5 The group-wide supervisor should conduct a peer-group analysis to provide information relevant to the group-wide risk assessment, in cooperation with group-wide supervisors of other IAIGs where possible. Peer-group analysis should be subject to confidentiality requirements. In conducting peer group analysis, the group-wide supervisor should consider things such as: • identifying market-wide risks and assessing the impact of such risks on the IAIG; and • comparing and identifying good risk management practices among IAIGs; • the similarity of business models; • the size, type and structure of IAIGs; and • the similarity in geographic scope. Information in the public domain could be used for the purposes of the peer-group analysis.	Improved guidance.

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<i>information derived from other macroprudential surveillance activities.</i> <i>Horizontal reviews compare and identify good practices amongst IAIGs and amongst their supervisors.</i> <i>Peer groups for horizontal reviews may be determined using factors including:</i> <i>• similarity of business models</i> <i>• size, type and structure of IAIGs and</i> <i>• geographic scope.</i>		
Parameter M3E1-2-2 The group-wide supervisor assesses the risk arising from the group structure, strategy and material intra-group transactions of the IAIG. Other involved supervisors assist the group-wide supervisor to assess how risks	CF 9.2b The group-wide supervisor's group-wide risk assessment of the IAIG includes, at a minimum: • the complexity of the IAIG group structure and the resultant risk; • non-regulated and non-financial entities within the IAIG; • a comparison of the risk profile of the IAIG with its risk-carrying capacity to identify matters which may adversely affect its capacity to meet	Parameters from M3E1-2-2 to M3E1-2-6 with guidance included therein were transformed into CF 9.2b with a set of guidance, with the order reorganised and wording improved.

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arising from the IAIG's entities fit into the group structure, strategy and material intra-group transactions from the entity perspective.	obligations towards policyholders in the long term; the adequacy and outcomes of the IAIG's stress testing; the capital adequacy and the availability of capital to meet group-wide capital requirements as well as the regulatory capital requirements for each insurance legal entity within the IAIG; the macro-prudential environment in which the IAIG operates; a review of the IAIG's approach to its legal and regulatory obligations, its distribution model and its proposals for dealing with specific areas of risk; an analysis of the adequacy and soundness of the IAIG's enterprise risk management framework for the identification and quantification of risks including an evaluation of whether business activities and internal processes reflect the IAIG's risk assessment; an evaluation of existing and prospective risks, and how these are reflected in the IAIG's business plans and strategy; the effectiveness of the corporate governance framework; an assessment of the potential impact that the IAIG's failure would have on policyholders, the insurance market, and the financial markets as a whole.	
N/A	CF9.2b.2 In conducting the group-wide risk assessment, the group-wide	New guidance aimed at providing

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	supervisor should also take into consideration the activities undertaken by non-regulated entities within the IAIG. Non-regulated entities' contribution to group capital adequacy could be assessed by calculation of a proxy capital requirement as if the entity were regulated or through deduction of the group's interest in the unregulated entity. Where risk has been transferred from regulated to unregulated entities in a group, supervisors of the regulated entities should look through to the overall quantum and quality of assets in the unregulated entity. The risk assessment should address third party participations and minority interests.	more details regarding expectations towards group-wide risk assessment of the IAIG.
N/A	CF9.2b.3 In conducting the group-wide risk assessment, the group-wide supervisor should evaluate the results of the IAIG's group-wide stress test, taking into consideration the severity of the stress scenarios in each of the IAIG's major operating jurisdictions, as well as the extent of interaction within the IAIG's different businesses.	New guidance aimed at providing more details regarding expectations towards group-wide risk assessment of the IAIG.
<i>Guideline M3E1-2-2-1</i> <i>Some considerations for supervisors in assessing the structure, strategy and intra-group transactions of an IAIG include:</i> <i>Where is growth occurring within the IAIG?</i> <i>What business is done via</i>	CF 9.2b (quoted above) and: CF9.2b.6 The group-wide supervisor, in cooperation with other involved supervisors, should conduct an assessment of the fungibility of capital — that is its ability to absorb losses arising anywhere in the IAIG as needed. In such instances, the group-wide supervisor should take into account regulatory, legal and other requirements which may affect the IAIG's ability to transfer capital between entities, sectors and jurisdictions, both on a going-concern basis and in a crisis.	Parameters from M3E1-2-2 to M3E1-2-6 with guidance included therein transformed into CF 9.2b with a set of guidance, with the order reorganised and wording improved.

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<i>unregulated entities?</i> • <i>What are the limits on fungibility of capital within the group?</i> • <i>What assumptions has the group made about fungibility of capital and are these assumptions realistic?</i> • <i>Where there is surplus capital in the group, has the group relied on this surplus capital for multiple business lines?</i>		
N/A	CF9.2b.7 In conducting the group-wide risk assessment, the group-wide supervisor (with input from other relevant supervisors) should take into consideration the current and forecast business and the macroeconomic environment in all the material jurisdictions that the IAIG operates in, and assess the cumulative potential impact on the operations of the IAIG. This macro-prudential analysis should also be incorporated into forward-looking stress testing to identify possible events or changes in market conditions that could adversely impact the IAIG's group financial position.	New guidance aimed at providing more details regarding expectations towards group-wide risk assessment of the IAIG.
Parameter M3E1-2-3 The group-wide supervisor assesses the adequacy and	CF 9.2b (quoted above)	Covered in amended CF 9.2b (sixth and seventh

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effectiveness of governance and internal controls of the IAIG.		sub-bullets of the first bullet).
Parameter M3E1-2-4 The group-wide supervisor assesses the ERM Framework of the IAIG at the group level in order to: • test its robustness • compare the results and methodology with any other IAIGs under its supervision • judge its appropriateness for the IAIG business model.	CF 9.2b (quoted above)	Covered in amended CF 9.2b (8th bullet). Covered also by ICP 9.1.7.
<i>Guideline M3E1-2-4-1</i> <i>Some considerations for supervisors in assessing the ERM Framework of an IAIG include:</i> • <i>What major risks is the IAIG exposed to?</i> • <i>What is the time horizon associated with these major risks and what would the regulatory actions be if there was a</i>	<i>Complexity</i> CF9.2b.1 An IAIG is likely to have a complex operating structure that spans multiple jurisdictions, especially where it has operations which span different financial sectors. As such, the group-wide supervisor's group-wide risk assessment should consider: • aggregated risk exposures that the IAIG has towards external counterparties, which can arise from direct and indirect exposures, on-balance and off-balance sheet items, regulated and unregulated entities within the IAIG, the same or different financial sectors across the IAIG, or a combination or interaction of such exposures. The group-wide supervisor should evaluate if the Head of the IAIG has	Improved guidance.

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<i>significant deterioration in these risks?</i> • <i>How are tail risks quantified, ignored or assessed for the major risks of the IAIG?</i> • <i>How does the IAIG define the fatness of the risk tails for each of these risks?</i> • <i>What is the sensitivity of major assumptions used for the ORSA?</i> • <i>What are the risk limits/capital allocations for entities or business units?</i> • <i>How are these risk limits/capital allocations set for the entities or business units?</i> • <i>Are risk limits/capital allocations adhered to by the entities or business units?</i> • <i>What actions did the IAIG</i>	adequate oversight and has implemented an adequate risk management system to assess its aggregated credit, market, insurance and liquidity risk concentrations. Such risk concentrations should be viewed in the context of single or closely related drivers of risk that may have material impact on the IAIG; • increased operational risk where the IAIG relies on significant cross-border services or support. Such cross-border activity can also increase the complexity of recovery and resolution planning. The group-wide supervisor should evaluate the effectiveness of the IAIG's policies, processes and systems, and assess whether the IAIG has adequate business continuity plan arrangements, to mitigate such cross-border operational risk; and • significant intragroup transactions (e.g. insurance or reinsurance, intragroup guarantees, commitments, derivative transactions or off-balance sheet transactions) which can give rise to contagion effects within the IAIG, or result in a circumvention of sectoral regulatory requirements. The group-wide supervisor should evaluate whether the Head of the IAIG has adequate oversight over all material intragroup transactions.	

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<i>take due to changing market conditions in the prior period?</i>		
Parameter M3E1-2-5 <i>The group-wide supervisor assesses the ERM policies of the IAIG:</i> • <i>investment policy</i> • <i>underwriting policy</i> • <i>claims management policy</i> • <i>insurance liability valuation policy</i> • <i>reinsurance and risk transfer strategy</i> • <i>actuarial policy.</i> <i>Other involved supervisors assist the group-wide supervisor to assess the liabilities/technical provisions and assets/investments of the respective entities they supervise.</i>	N/A	Covered in ICP 16.3 – 16.8.
Parameter M3E1-2-6 The group-wide supervisor assesses the valuation and	CF9.2b (fifth bullet) <i>Capital Adequacy</i>	The parameter covered by the standard and developed in guidance to set out

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capital adequacy of the IAIG, as well as its leverage and liquidity.	CF9.2b.4 In conducting the group-wide risk assessment, the group-wide supervisor should assess the adequacy of an IAIG's capital position on a group-wide basis against the ICS as implemented in the jurisdiction of the Head of the IAIG. The role of the group-wide supervisor in conducting and coordinating this assessment is particularly important in cases where the IAIG has a mixture of insurance, banking and securities sector operations. In coordination with other involved supervisors, the group-wide supervisor should also assess the availability of capital in meeting the regulatory capital requirements for each insurance legal entity of the IAIG in each jurisdiction. CF9.2b.5 The group-wide supervisor should identify situations which may give rise to double or multiple gearing. Such situations could occur within IAIGs which are not fully consolidated and when one entity holds regulatory capital issued by another entity within the IAIG, where the issuer is permitted to include the capital in meeting its own regulatory requirements. These situations can result in an overstatement of group capital. The group-wide supervisor should require that the capital adequacy assessments of the IAIG exclude intra-group holdings of regulatory capital if not performed on a fully consolidated basis. CF92b.6 The group-wide supervisor, in cooperation with other involved supervisors, should conduct an assessment of the fungibility of capital — that is its ability to absorb losses arising anywhere in the IAIG as needed. In such instances, the group-wide supervisor should take into account regulatory, legal and other requirements which may affect the IAIG's ability to transfer capital between entities, sectors and jurisdictions, both on a going-concern basis and in a crisis.	expectations concerning the group-wide supervisor's group risk assessment as regards capital adequacy.

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<i>Guideline M3E1-2-6-1</i> <i>The group-wide supervisor should carry out an assessment of the financial condition of the IAIG using whatever information is helpful in making such an assessment. This would include assessing the:</i> <i>• consolidated financial statements of the entire group</i> <i>• comparisons of outcomes with prior year business plans</i> <i>• proposed major transactions</i> <i>• methodology in deriving group ORSA</i> <i>• group-wide regulatory capital calculation</i> <i>• quality of capital resources after considering multiple gearing and fungibility.</i>	N/A	Information mentioned in the 2014 text should already be available through ICP 9 – standard 9.4. Assessment of capital adequacy covered also in CF 9.2b.4 – CF 9.2b.6.
N/A	CF9.4a The group-wide supervisor, in cooperation with other involved supervisors, establishes requirements	New standard to be developed further at next stages of the

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	for reporting the calculation of the ICS and the capital to meet the ICS.	ComFrame development.
N/A	CF9.7a The group-wide supervisor communicates the results of the group-wide supervisory review of the IAIG, including the group-wide risk assessment, to the supervisory college and, as appropriate, to the Head of the IAIG.	New standard aimed at enhancing communication within the college and with the Head of the IAIG.
ComFrame Standard M3E1-3 The group-wide supervisor is responsible for determining any preventive or corrective measures that need to be taken at the group level.	N/A	Covered in the principle of ICP 10.
N/A	CF 10.0a The group-wide supervisor applies supervisory measures directly to the Head of the IAIG within the group-wide supervisor's jurisdiction. CF 10.0a.1 The group-wide supervisor should have flexibility in the application of supervisory measures depending on the jurisdiction and the IAIG's situation. CF 10.0a.2 If the Head of the IAIG is not located in the jurisdiction of the group-wide supervisor, the group-wide supervisor should use indirect powers to apply supervisory measures.	New standard together with supporting guidance implementing the 2014 decision of the IAIS's Executive Committee that Supervisors should be able to apply supervisory measures directly at the level of the financial holding company of an IAIG.
Parameter M3E1-3-1 The group-wide supervisor and other involved supervisors	CF10.0b An involved supervisor coordinates with other involved supervisors before requiring a specific preventive or corrective measure if	New Standard replacing parameters M3E1-3-1 and M3E1-3-3,

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affected by, or involved in, a specific measure coordinate preventive and corrective measures that will have an effect at the group and/or entity level.	that measure will have a material effect at the group level or on an insurance legal entity within the IAIG, unless exceptional circumstances preclude this. CF10.0b.1 The supervisory college provides a forum for the group-wide supervisor and the other involved supervisors to coordinate preventive and corrective measures.	given the importance of supervisory cooperation before deciding on preventive or corrective measures that may have an impact at the level of the IAIG.
Parameter M3E1-3-2 The group-wide supervisor communicates to the Head of the IAIG any preventive or corrective measure that needs to be taken as a result of its group-wide assessment. The other involved supervisors are responsible for communicating the preventive and corrective measures, resulting from the group-wide assessment, to the affected entities they supervise.	N/A	Covered in ICP 10.2 and ICP 10.3. The communication with the IAIG is also addressed in CF 9.0b and CF 9.7a.
<i>Guideline M3E1-3-2-1</i> <i>The group-wide supervisor in cooperation with other involved supervisors should develop an appropriate communication strategy, having regard to their legal responsibilities for preventive and</i>	CF10.0b.1 (quoted above)	Given the added clarity around the group-wide supervisor's interactions with the Head of the IAIG, this guidance has been revised so as to focus only on supervisory cooperation through

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<i>corrective measures, specifying the type of information to be shared by when and by whom.</i>		the supervisory college. The issues related to communication are also addressed in ICP 25.
<i>Guideline M3E1-3-2-2</i> <i>The group-wide supervisor should communicate the findings to the IAIG before taking any action. This does not prevent the group-wide supervisor from taking immediate action when required.</i>	CF 9.7a (quoted above)	
Parameter M3E1-3-3 Involved supervisors do not take decisions in isolation which would destabilise the IAIG, adversely impact another entity within the IAIG or weaken the position of its policyholders.	CF 10.0b (quoted above)	New Standard replacing parameters M3E1-3-1 and M3E1-3-3, providing detailed expectations around supervisory cooperation and coordination between involved supervisors.
<i>Guideline M3E1-3-3-1</i> <i>The need for such decisions should be discussed at the earliest opportunity. However, there may be exceptional circumstances where involved supervisors must make quick decisions due to time or regulatory constraints. In such circumstances, and where the action could be expected to have an impact on the</i>	CF10.0b.2 Supervisory measures that should be preceded by coordination between involved supervisors include: restricting the transfer of assets between entities within the IAIG; requiring an increase in capital; and suspending or revoking the licence of an insurer. CF10.0b.3 There may be exceptional circumstances where the supervisor who wishes to act cannot involve in advance the other involved supervisors. In such circumstances, the supervisor should inform other involved supervisors of the decision made, or action taken, and the supporting rationale as soon as possible. CF10.0b.4 The supervisor of one of the IAIG's insurance legal entities does not	Guidelines further developed to set out what supervisors are expected to do when cooperating or coordinating before applying preventive or corrective measures in the context of IAIG group supervision.

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<i>IAIG as a whole or another entity within the IAIG, the supervisor should inform other involved supervisors of the decision made, or action taken, and the supporting rationale as soon as possible.</i>	need to coordinate with other involved supervisors if the preventive or corrective measure will not materially affect the IAIG as a whole or another insurance legal entity. For example, a supervisor may not need to coordinate with the other involved supervisors before requiring the insurance legal entity to alter its sales practices. CF10.0b.5 If a supervisor requires an insurance legal entity in an IAIG to take preventive or corrective measures that are long-term and material in nature, the supervisor should provide periodic updates to the supervisory college. CF10.0b.6 The requirement to coordinate action (other than in exceptional circumstances) does not imply that the supervisor taking action needs the consent of other involved supervisors to take action which is necessary to discharge its duties under the law in its jurisdiction.	
N/A	CF10.2a The group-wide supervisor requires the Head of the IAIG to take preventive measures if: • an entity within the IAIG seems likely to operate in a manner that ○ is inconsistent with any relevant regulatory requirements, or ○ would have a material adverse effect on the IAIG as a whole; or • the IAIG as a whole seems likely to operate in a manner that is inconsistent with regulatory requirements. CF10.2a.1 The situation described in the first part of the Standard could arise, for example, where one regulated entity in	New standard and guidance to clarify interplay between the group-wide supervisor and supervisors of insurance legal entities in terms of requesting respectively the Head of the IAIG or insurance legal entity within the IAIG to take preventive measures.

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	the group seems likely to fail to meet its capital requirement, causing the IAIG as a whole to be likely to fail to meet a group capital requirement to which it is subject. CF10.2a.2 The group-wide supervisor should not require the Head of the IAIG to take additional preventive measures if the supervisor of an insurance legal entity within the IAIG has already required that entity to take preventive measures and the group-wide supervisor has assessed that the preventive measures adequately mitigate the risk to the IAIG as a whole. CF10.2a.3 The situation described in the second part of the standard could arise, for example, where every regulated entity in the IAIG meets its capital requirement, but the group as a whole seems likely to not meet a group capital requirement to which it is subject.	
N/A	CF10.3a The group-wide supervisor requires the IAIG to: • develop a recovery plan; and • take actions for recovery. CF10.3a.1 The supervisor should consider the IAIG's nature, scale, and complexity when setting recovery plan requirements, including the form, content and detail of the recovery plan and the frequency for updating the plan. CF10.3a.2 Recovery is the responsibility of the IAIG. The IAIG needs to be able to take actions for recovery, in particular when any pre-defined criteria that trigger recovery actions are met. The group-wide supervisor requires an IAIG to take further actions where actions for recovery already taken by the IAIG are ineffective or insufficient. CF10.3a.3 Pre-defined criteria that trigger recovery actions may be qualitative or quantitative. The criteria may include a strong likelihood that the insurer's	New text developed together with requirements on resolution.

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	solvency position will be below the PCR level. CF10.3a.4 The recovery plans developed by the IAIG should cover all material entities within the group, including holding companies and non-regulated companies. CF10.3a.5 The recovery plan should serve as a guide for the IAIG and the group-wide supervisor for crisis preparedness and crisis management. CF10.3a.6 The IAIG should ensure that: • it has a robust governance structure and sufficient resources to support the recovery planning process, which includes clear allocation of responsibilities; and • recovery planning is integrated into the IAIG's overall governance processes; • it has in place systems to generate on a timely basis the information required to support the recovery planning process; and • it takes into account the impact of stress situations on intra-group transactions and associated cash flows and their availability when drawing up its recovery plans. CF10.3a.7 Recovery plans are an integral part of the risk management process of an IAIG, to identify actions to be taken in stress conditions that pose a serious risk to the viability of the IAIG, or any part of its insurance business. Recovery plans generally describe how the IAIG would: • continue operating its business, including through a modified legal structure (e.g., consider operations that could be discontinued or divested); or • continue operating certain lines of insurance business while restructuring or running off its	

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	discontinued business lines in an orderly fashion. CF10.3a.8 Recovery plans should include: • concrete, credible options to respond to a range of significant stress scenarios, including both idiosyncratic and market wide stress; • measures to address capital shortfalls and liquidity pressures and to restore the financial health of the IAIG, including the management actions it would take to manage the potential cash flow implications of a stress scenario; • description of functions and/or services that are critical for the group; • processes to ensure timely implementation of recovery actions; • quantitative or qualitative trigger points, and governance and escalation mechanisms, to ensure that the plan or individual measures are initiated in a timely way; and • strategies for communication with key external stakeholders. CF10.3a.9 Possible measures for recovery include: • actions to strengthen the capital position, such as recapitalisations; • capital conservation measures, such as suspension of dividends and of payments of variable remuneration; • reorganisation of corporate structure, including sales of subsidiaries; • voluntary restructuring of liabilities, e.g. debt-to-equity conversion; and • measures to secure sufficient diversified funding and adequate availability of collateral in terms of volume, location and quality. CF10.3a.10 The group-wide supervisor should regularly review the recovery plan, including the assumptions and stress scenarios underlying the plan, to assess	

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	its credibility and likely effectiveness. Where necessary, the group-wide supervisor should require the IAIG to revise these assumptions and scenarios. CF10.3b The supervisor requires the IAIG to develop and maintain management information systems (MIS) that are able to produce information on a timely basis in normal times for recovery. CF10.3b.1 It is important that the IAIG have the information necessary for executing recovery actions available when needed. Some of this information may be similar to the information needed for resolution, while recovery may require other information that may be different (see ComFrame material under ICP 12 Exit from the Market and Resolution).	
N/A	CF10.5a The IAIG's group-wide supervisor coordinates with other involved supervisors if the Head of the IAIG, or an insurance legal entity within the IAIG, fails to take action to address the group-wide supervisor's, or other involved supervisor's, identified concerns.	A new standard to address a situation of not taking relevant actions by the IAIG.
N/A	CF10.5b Where an entity within the IAIG fails to take preventive or corrective measures, as required by the involved supervisor, the group-wide supervisor informs the Head of the IAIG of that lack of compliance and requires the Head of the IAIG to take action to ensure compliance.	A new standard to address a situation of not taking corrective actions by an entity within the IAIG.
N/A	CF10.6a Where appropriate, the group-wide supervisor applies sanctions directly to the Head of the IAIG within the group-wide supervisor's jurisdiction.	A new standard and guidance addressing the need of imposing sanctions directly to

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	CF10.6a.1 Sanctions should include, but are not limited to, the imposition of fines and penalties (even if non-compliance is due to the actions of a subsidiary in the group). CF10.6a.2 The group-wide supervisor should have flexibility in the application of sanctions depending on the jurisdiction and the IAIG's situation. CF10.6a.3 If the head of the IAIG is not located in the jurisdiction of the group-wide supervisor, the group-wide supervisor should and use indirect powers to apply sanctions.	the Head of the IAIG.
N/A	CF10.6b An involved supervisor coordinates with other involved supervisors before sanctioning: • an insurance legal entity; • the Head of the IAIG; or • an individual involved with the relevant insurance legal entity or Head of the IAIG if the sanction has a material effect on the supervision of the IAIG as a whole or a material effect on another insurance legal entity. This coordination takes place unless exceptional circumstances preclude it. CF10.6b.1 The supervisor should discuss the need for sanctions with other involved supervisors at the earliest opportunity. Where a supervisor must act before discussing the need for sanctions, the supervisor should inform the group-wide supervisor and other involved supervisors of the sanction and the supporting rationale as soon as possible.	A new standard and guidance addressing the need to coordinate before imposing sanctions.
ComFrame Standard M3E2-1 A supervisory college is established as a forum for the on-going	N/A	

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supervision of the IAIG.		
Parameter M3E2-1-1 The group-wide supervisor establishes the supervisory college in a form that is reflective of the structure and business model of the IAIG.	N/A	Covered in ICP 25.6.1 and 25.6.2.
N/A	CF25.1a.1 When determining the group-wide supervisor of an IAIG, the involved supervisors should place particular emphasis on which supervisor would have direct powers over the Head of the IAIG (see ComFrame material under ICP 10 Preventive Measures, Corrective Measures and Sanctions).	New guidance aimed at indicating an additional criterion to be considered when determining a group-wide supervisor for an IAIG.
<i>Guideline M3E2-1-1-1</i> <i>Supervisory colleges should aim to achieve common agreements and to promote common understanding on group-wide risks assessments and group-wide supervisory activities in relation to the supervision of the IAIG.</i> <i>The decisions of a supervisory college are not legally binding.</i> <i>The supervisory college primarily facilitates the supervision of the IAIG as a whole but also improves the supervision of the</i>	N/A	First paragraph covered by ICP 25.6.1, ICP 25.6.9 and CF25.6a.3. Second paragraph covered by ICP 25.6.6.

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<i>entities within the IAIG.</i>		
Guideline M3E2-1-1-2 <i>The structure and business model of the IAIG may require flexibility in establishing the supervisory college, for example by setting up subgroups of involved supervisors.</i>	N/A	Covered in ICP 25.6.2. – 25.6.5.
Parameter M3E2-1-2 The group-wide supervisor is responsible for managing the supervisory college.	N/A	Covered in ICP 25.2.2.
Guideline M3E2-1-2-1 <i>If a supervisory college does not already exist, one should be formed and its first meeting should take place in a timely manner after the identification of the IAIG.</i>	CF25.6a.1 If a supervisory college does not already exist, one should be formed and its first meeting should take place in a timely manner after the identification of the IAIG.	
Guideline M3E2-1-2-2 <i>The initial supervisory college meeting should:</i> • <i>confirm the designation of the group-wide supervisor</i> • <i>describe the scope of group-wide supervision including, where applicable, an explanation from the group-wide supervisor of its decision to</i>	CF25.6a.2 Priorities for the initial supervisory college meeting should include, at a minimum: • confirming the designation of the group-wide supervisor and the structure of the supervisory college; • describing the scope of group-wide supervision including, where applicable, an explanation from the group-wide supervisor of its decision to exclude an entity from the scope of group supervision; and	Guidance reworded.

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<i>exclude an entity from the scope of group-wide supervision</i> • <i>discuss the proposed coordination arrangements in order to determine the organisational structure of the supervisory college and the means of exchange of information among involved supervisors.</i>	• discussing the proposed coordination agreements.	
Parameter M3E2-1-3 The group-wide supervisor, in cooperation with other involved supervisors, determines who participates in the supervisory college.	N/A	Covered in ICP 25 guidance 25.6.2 to 25.6.5 — structure and membership of the college.
Guideline M3E2-1-3-1 <i>Issues which should be considered in determining participation include the:</i> • <i>size and/or materiality of the entities relative to the group as a whole</i> • <i>size or materiality of the entity relative to its local market</i> • <i>jurisdiction and risk profile of a particular entity.</i>	N/A	Covered in ICP 25 guidance 25.6.2 to 25.6.5 — structure and membership of the college.
Guideline M3E2-1-3-2 <i>The number of involved supervisors may make it impracticable to include them all in</i>	N/A	Covered in ICP 25 guidance 25.6.2 to 25.6.5 — structure and membership of the college.

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<i>supervisory college meetings.</i>		
Guideline M3E2-1-3-3 <i>The supervisors of non-insurance regulated entities of the IAIG may be invited to participate in the supervisory college.</i>	N/A	Covered by ICP 25.6.3.
Parameter M3E2-1-4 The group-wide supervisor convenes a supervisory college meeting at least annually.	CF25.6a The group-wide supervisor establishes a supervisory college for the IAIG which meets at least annually.	
Guideline M3E2-1-4-1 <i>The group-wide supervisor should set the agenda of supervisory college meetings which covers the most relevant elements of the group-wide supervisory process and the supervisory plan. In particular, the agenda provides for discussion of group-wide governance, ERM and the IAIG's financial condition.</i> <i>In setting the agenda, the group-wide supervisor should coordinate with involved supervisors to ensure that matters pertinent at an entity level are appropriately raised.</i>	CF25.6a.3 The group-wide supervisor should ensure that the IAIG supervisory college discusses the most relevant elements of the group-wide supervisory process and the supervisory plan. In particular, the agenda set by the group-wide supervisor should provide for discussion of the IAIG's main risks, group-wide governance, enterprise risk management and the IAIG's financial condition. CF25.6a.4 When deciding on the topics to be covered in the IAIG supervisory college meeting, the group-wide supervisor should cooperate and coordinate with involved supervisors to ensure that matters pertinent at an entity level are appropriately raised.	
Parameter M3E2-1-5	N/A	Covered in ICP 25.6.7.

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The roles of the group-wide supervisor and other involved supervisors are agreed on within the supervisory college.		
<i>Guideline M3E2-1-5-1</i> <i>Responsibilities of the group-wide supervisor may include:</i> • <i>initiating and chairing of the supervisory college</i> • <i>aggregation of group-wide information</i> • <i>preparation of supervisory plans</i> • <i>group-wide supervisory assessment</i> • <i>leadership, planning and coordination of group-wide supervisory activities</i> • <i>determination of the scope of IAIG supervision • preparation and discussion of group-wide supervisory analysis</i> • <i>coordination of information sharing procedures amongst other involved supervisors</i> • <i>decision making on group-wide issues in consultation with other involved supervisors</i>	N/A	Covered in ICP 25.2.1-25.2.3.

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• <i>implementation of group-wide supervisory decisions including preventive and corrective actions</i> • <i>implementation and coordination of group-wide enforcement activities</i> • <i>identification of gaps in supervision</i> • <i>oversight of group capital management.</i>		
<i>Guideline M3E2-1-5-2</i> <i>Responsibilities of other involved supervisors may include:</i> • <i>supervising their entity taking into account its relationship with the rest of the group</i> • <i>informing the group-wide supervisor and, if necessary, other involved supervisors, of material findings affecting their entity that could affect entities in other jurisdictions</i> • <i>sharing all relevant information with the group-wide supervisor to assist with supervision at the group-wide level and discussing findings and concerns at the group level with the group-wide supervisor</i>	N/A	Covered in ICP 25.3.1.

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• <i>cooperating in the analysis and decision making as well as implementation and enforcement</i> • <i>identifying gaps in supervision</i> • <i>actively participating in the supervisory process as determined by the supervisory college</i> • <i>analysing information received from the group-wide supervisor</i> • <i>assisting the group-wide supervisor in reaching</i>		
Parameter M3E2-1-6 The group-wide supervisor and the other involved supervisors come to joint decisions, where possible. If a joint decision, or timely decision, is not possible the group-wide supervisor is responsible for making the decision.	N/A	Deleted since the parameter did not create any requirement on IAIG college members. The role of the group-wide supervisors is established in ICP 25.2.1-25.2.3.
Parameter M3E2-1-7 An involved supervisor, where appropriate, challenges the opinions and analysis of other involved supervisors, including the group-wide supervisor.	N/A	Covered by revisions to the joint risk assessment in ICP 9.

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ComFrame Standard M3E2-2 The supervisory college operates, communicates and exchanges information subject to confidentiality requirements.	N/A	Confidentiality requirements are covered in ICP 3, which is referred to in ICP 25.4.1
Parameter M3E2-2-1 Involved supervisors cooperate and communicate throughout the group-wide supervisory process and enter into an agreement for information exchange and supervisory cooperation which addresses confidentiality requirements.	CF25.6b The members of the IAIG supervisory college communicate and exchange information on an ongoing basis.	The parameter has been transformed into a standard, which is focused on the need of ongoing communication.
<i>Guideline M3E2-2-1-1</i> <i>Information should be exchanged in accordance with the confidentiality requirements of the college, whereby the involved supervisors have either signed the IAIS Multilateral Memorandum of Understanding (MMoU) or have demonstrated that their confidentiality regime is as robust and reliable as the IAIS MMoU.</i>	N/A	Covered in ICP 25.6.8.
N/A	CF25.7a The group-wide supervisor establishes a crisis management group with the objective of enhancing	New standards and guidance addressing the specificity of crisis

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	preparedness for, and facilitating the recovery and resolution of the IAIG. CF25.7a.1 Membership of a crisis management group for IAIGs (collectively referred to as the 'IAIG CMG') should include the group-wide supervisor, and other involved supervisors and resolution authorities in relevant major jurisdictions. CF25.7a.2 The crisis management group may be established under a different name so long as the group fulfils the objectives of an IAIG CMG. CF25.7a.3 There should be clear conditions as to the composition of membership of the IAIG CMG. CF25.7a.4 If the college's coordination arrangements address recovery and resolution and membership includes the necessary resolution authorities, a supervisory college may qualify as an IAIG CMG. CF25.7a.5 The IAIG CMG should keep under active review: • progress in coordination and information sharing within the IAIG CMGs and with host resolution authorities that are not represented in the IAIG CMG; • the recovery and resolution planning process for the IAIG; and • the resolvability of the IAIG. CF25.7b The group-wide supervisor puts in place a coordination agreement between IAIG CMG members. CF25.7b.1 Coordination agreements describe, at least: • roles and responsibilities of the respective IAIG CMG members; and • the process for coordination and cooperation, including information	management for IAIGs, which should take place within crisis management groups.

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	sharing, among IAIG CMG members. CF25.7b.2 Coordination agreements could include memoranda of understanding.	