

Resolution of Consultation Comments on Revisions to the IAIS Glossary, Introduction to ICPs and development of ComFrame assessment methodology and ICP 7

14 June to 15 August 2019

Organisation	Jurisdiction	Answer	Resolution of comments
Q1 General Comment on Glossary terms			
1. World Federation of Insurance Intermediaries	Belgium	Review of the definition of insurance intermediation The IAIS proposes to delete the footnote in the definition of insurance intermediation. WFII suggests that this footnote ("In some jurisdictions certain supplemental functions are included in the definition of intermediation') be retained, as this is still correct. Intermediaries perform client servicing and other activities related to selling, negotiating and soliciting insurance contracts such as claims handling and administrative functions. These other functions vary widely from intermediary to intermediary and may depend on a contract with the insurer or the client or are simply functions they must perform as part of the insurance transaction process. These functions should be considered as being part of the intermediary's business.	This definition was revised in order to bring it in line with the IAIS's style guide for Glossary terms. The text of the footnote is still correct, and it is stated in Guidance 18.0.5.
2. Insurance Authority (IA)	China, Hong Kong	Regarding the definition of "Risk Management", suggest to add "measured" and "controlled" to make it consistent with the language used in the definition of "Enterprise Risk Management." Suggested revision: The process through which risks are managed allowing all risks of an insurer to be identified, assessed, "measured", monitored, "controlled", mitigated (as needed) and reported on a timely and comprehensive basis.	The differences between the definitions for "risk management" and "enterprise risk management" are intentional.
3. Institute of International Finance	Global	We appreciate the inclusion of a Glossary in the IAIS Supervisory Material, as it serves to establish a common understanding of the scope and definition of key terms. That said, the definition of certain terms (e.g. financial conglomerate) may differ across jurisdictions. It may be appropriate to include a lead-in paragraph to the Glossary that explains that some definitions will vary across jurisdictions and among supervisors due to the manner in which insurance activities are conducted, managed and supervised. The definition of solvency is overbroad and would serve instead as a good	The revised Glossary now includes a lead-in paragraph that explains its objective and some further other background.

		definition of financial soundness. The definition of solvency should be limited to assets in excess of liabilities that are available to meet a company's future obligations as they come due. We note that the Glossary lacks a definition of several terms that are used in the ICPs and we would welcome the opportunity to comment on proposed definitions of these terms: - Credit risk - Concentration risk - Conduct risk - Group risk - Insurance risk - Investment risk - Legal risk - Market risk - Model risk - Operational risk - Political risk - Reputational risk - Strategic risk	The definition of solvency is intentionally broad as it is used in a variety of contexts throughout the ICPs. These were included in the ERM-related terms that were finalised and subject to public consultation in 2018. They were posted for information on the IAIS website in November 2018, and are now added to the full Glossary.
4. Swiss Re	Switzerland	This is a joint submission by Swiss Re and Zurich. Swiss Re and Zurich thank the IAIS for the opportunity to comment on the revisions to the Insurance Core Principles and the Common Framework for the Supervision of Internationally Active Insurance Groups. For our joint comments kindly refer to the submission by Zurich on behalf of Swiss Re and Zurich.	Noted.
5. Zurich Insurance Company Ltd.	Switzerland	This is a joint submission by Swiss Re and Zurich. Swiss Re and Zurich thank the IAIS for the opportunity to comment on the revisions to the Insurance Core Principles and the Common Framework for the Supervision of Internationally Active Insurance Groups.	Noted.

6. Aegon NV	The Netherlands	The glossary currently defines certain risks, such as counterparty risk and liquidity risk, but not others, such as group risk, mortality risk, or operational risk. It would be useful for the IAIS glossary to include a formal definition of all risks that are referred to in IAIS material.	See response to Comment #3.
7. Association of British Insurers	United Kingdom	The IAIS should avoid defining terms such as "financial conglomerate" that may have precise legal definitions at a jurisdictional level, and therefore recommend that the term financial conglomerate is removed from the glossary.	The IAIS Glossary is intended to help the reader understand concepts as they are used in IAIS material; it does not create legal definitions for any jurisdiction.
8. American Academy of Actuaries	United States of America	The American Academy of Actuaries ("Academy") supports the IAIS's proposal to remove the definition of "actuary" and "actuarial report" from its draft revised Glossary. Just as insurance markets differ markedly from one another internationally, so do national requirements for the qualification of actuaries. In the United States, the Academy determines who among its membership is qualified to practice as an actuary. The U.S. Qualification Standards (USQS) it has established and adopted include requirements relating to basic education, experience, and continued education. The USQS also define what constitutes a Statement of Actuarial Opinion (SAO). In addition, federal and state governments impose requirements on insurers domiciled within their jurisdictions relating to the qualifications of actuaries who submit statutory actuarial opinions. Given that requirements for the qualification of actuaries and definitions of what constitutes an actuarial report are not uniform worldwide, we agree that it is neither helpful nor possible to choose a single definition for these terms.	Noted.
Q2 Comment on definition of Alternative risk transfer (ART)			
9. General Insurance Association of Japan	Japan	Rather than "form", we think "method" is a more appropriate word to describe the meaning of this term. In addition, as we understand that traditional reinsurance markets are not included within ART, the sentence should explicitly state "rather than through traditional reinsurance markets" to distinguish between the two. Specifically, it should be rewritten as follows: A method to transfer risks of insurance liabilities through the capital markets rather than through traditional reinsurance markets.	ICP 13 is titled "Reinsurance and Other Forms of Risk Transfer" so "form" is used for consistency. Disagree with adding "rather than through traditional reinsurance markets", as this may lead to more confusion instead of adding clarity.

			Please refer to guidance 13.6.2, in particular the statement: <i>"In general, arrangements used to enable risk transfer to the capital markets operate like mainstream reinsurance."</i>
Q3 Comment on definition of Asset-liability management (ALM)			
Q4 Comment on definition of Back-testing			
10. American Property Casualty Insurance Association (APCIA)	USA	We suggest the following: "A process of comparing the predictions from a model with actual experience over a reasonable period of time to determine whether the expected range produced by the model and its underlying assumptions is reasonable"	The suggested revision does not seem like an improvement and may actually change the meaning.
Q5 Comment on definition of Basis risk			
Q6 Comment on definition of Captive insurer			
11. American Property Casualty Insurance Association (APCIA)	USA	We suggest the following change: "... only a small part if any of its risk exposure is related to providing insurance or reinsurance to other (e.g., non-affiliated) parties."	The suggested change would add more detail than necessary.
Q7 Comment on definition of Claims provision			
12. American Property Casualty Insurance	USA	We suggest; "For occurrence-based policies, the amount set aside as a liability on the balance sheet of an insurer to meet the total estimated ultimate cost (including related loss adjustment expenses) to settle all claims arising from events which have occurred up to the end of the reporting period, whether reported or not, less amounts already paid in respect of such claims. For claims-made policies, such	Disagree. The ICPs do not make distinctions between occurrence-based and claims-made policies, so better to keep the definition more general.

Association (APCIA)		amounts to settle all claims that have been reported through the end of the reporting period."	
Q8 Comment on definition of Collateral			
Q9 Comment on definition of Contagion risk			
Q10 Comment on definition of Consumers			
Q11 Comment on definition of Control Function			
Q12 Comment on definition of Control level			
13. General Insurance Association of Japan	Japan	Although this term is used in ICP 17, we understand that ICP17 will be subject to public consultation after year 2020. Therefore, the term should be considered together with the revision of ICP 17. In addition, we would like to have an explanation as to why the criteria of the supervisory intervention have been changed from 'the actual solvency level' to 'capital resources'. We would like to know whether there will be any change in the meaning of the definition due to the change in wording.	This term is related to ICP 17 and will be updated when ICP 17 is revised.
Q13 Comment on definition of Corporate Governance framework			
14. General Insurance Association of Japan	Japan	It seems strange that the word "framework" refers to "A set of relationships between an insurer's board, senior management, customers and other stakeholders". Although we understand that the term combines 'Corporate Governance' with 'Corporate Governance Framework', which are in the current Glossary, we believe that customers or other stakeholders should not be included within the company's framework itself. Therefore, the revised draft should be reverted back to the original definition as below: ·Corporate Governance: A set of relationships between an insurer's board, senior management, customers and other stakeholders; and a structure through which the objectives of the insurer are set, and the means of attaining those objectives and monitoring performance are determined. ·Corporate Governance Framework: The means through which an insurer implements its corporate governance.	The definition has been shortened, in line with the 2014 Issues Paper. The guidance in ICP 7 provides more details.

Q14 Comment on definition of Counterparty risk			
15. American Property Casualty Insurance Association (APCIA)	USA	We observe that "counterparty" is used in the definition but is not actually defined itself.	As "counterparty" is a commonly used term that is not insurance specific, it does not need to be defined.
Q15 Comment on definition of Credit rating			
16. American Property Casualty Insurance Association (APCIA)	USA	We suggest: A category or classification that is assigned by a nationally recognized statistical rating organization to an issuer or a debt instrument based on an evaluation of its creditworthiness.	Disagree; adding this would unnecessarily limit the definition.
Q16 Comment on definition of Derivative			
Q17 Comment on definition of Direct powers			
17. American Property Casualty Insurance Association (APCIA)	USA	There seems to be overlap in the definitions of direct and indirect powers. We suggest the following: Powers a supervisor has, in the context of group-wide supervision, over the parent of an insurance group enabling the supervisor to impose supervisory measures on the parent to address all relevant group-wide risks.	The definitions of a direct and indirect approach have been revised in response to this comment.
Q18 Comment on definition of Duration			
Q19 Comment on definition of Economic capital			
Q20 Comment on definition of Enterprise Risk Management (ERM)			

18. Insurance Authority (IA)	China, Hong Kong	Regarding the definition of "Enterprise Risk Management", suggest to add "reporting" to make it consistent with the language used in the definition of "Risk Management". Suggested revision: The strategies, policies and processes of identifying, assessing, measuring, monitoring, controlling, mitigating and "reporting" risks in respect of the insurer's enterprise as a whole.	See response to Comment #2.
Q21 Comment on definition of Facultative reinsurance			
19. General Insurance Association of Japan	Japan	Facultative Reinsurance contracts are arranged individually for each risk, whereas Treaty Reinsurance is based on the prior agreement reached between the insurer and the reinsurer and the both parties are obliged to cede/assume the risk automatically. To clarify this point, we propose to revise the first sentence as follows: Reinsurance for a single risk or a defined package of risks, of which agreements are arranged individually for each risk.	This addition does not seem needed and may actually not improve the clarity of the definition.
Q22 Comment on definition of Financial conglomerate			
20. Association of British Insurers	United Kingdom	The IAIS should avoid defining terms such as "financial conglomerate" that may have precise legal definitions at a jurisdictional level, and therefore recommend that the term financial conglomerate is removed from the glossary.	See response to Comment #7.
Q23 Comment on definition of Finite reinsurance			
Q24 Comment on definition of Going-concern basis			
21. Zurich Insurance Company Ltd.	Switzerland	We have a range comments that our review of the two "going-concern" glossary terms triggered. First, we note that the term "Recovery" is not defined in the Glossary, and that the term "Resolution" appears to have been eliminated. Resolution is currently defined as: "Any action by an authority, with or without private sector involvement to deal with	"Resolution", "resolution plan" and "recovery plan" are included in the ICP 12 and 16.15-related terms that were finalised and subject to public consultation in 2018. They have now been added to the full Glossary that was adopted in November.

		serious problems in an insurer or insurance group that imperil the viability of the insurer or the insurance group." (https://www.iaisweb.org/page/supervisory-material/glossary) We contend that both "Recovery" and "Resolution" should be defined. Second, the IAIS defines "going-concern" related terms (going-concern basis and going-concern capital), but not "gone-concern". If a definition has to be provided for one of the terms, then its antonym ought to be defined too, especially in the context of recovery and resolution, to avoid confusion. That notwithstanding, our preference is for the IAIS to remove all references to "going-concern" (3 occurrences in ICPs 7, 16 and 25) and "gone-concern" (1 occurrence). Both terms, and especially going-concern, carry meanings in insurance that are somewhat different from the banking terminology. In insurance the terms are difficult to define; for instance: The current "going-concern basis" definition assumes that "future business will be written", whereas the going-concern capital definition explicitly covers "run-off" without specifying the type of run-off in question. In a solvent run-off, new business will, in general, not be written, but there are cases where new business indeed continues to be written.	The definition of "recovery" is implicit in the definition of a recovery plan. The terms "going concern" and "gone concern" have been removed from the ICPs, except for those ICPs that will be revised in the next years (ICP 14 and 17).
Q25 Comment on definition of Group-wide supervisor			
Q26 Comment on definition of Head of the group (or parent)			
22. Zurich Insurance Company Ltd.	Switzerland	See our answer to Q45.	Noted.
Q27 Comment on definition of Head of the IAIG			
23. Zurich Insurance Company Ltd.	Switzerland	"IAIG" itself is listed in the acronyms but neither defined in the revised glossary nor in the online one https://www.iaisweb.org/index.cfm?event=glossary:generatePDFGlossary . The	IAIG as an acronym is self-explanatory. The criteria in CF 23.0a is used to determine if a

		reader needs to go through the ICP/CF material up to CF 23.0.a to get to a definition. We suggest the IAIS include a definition of IAIG in the Glossary. For additional context, see our answer to Q46.	group qualifies as an IAIG. As the criteria define what qualifies as an IAIG, including this in the Glossary is not necessary.
Q28 Comment on definition of Home jurisdiction			
Q29 Comment on definition of Host jurisdiction			
Q30 Comment on definition of IAIS MMoU			
Q31 Comment on definition of Indirect powers			
Q32 Comment on definition of Insurance group			
Q33 Comment on definition of Insurer			
Q34 Comment on definition of Involved supervisors			
Q35 Comment on definition of License			
Q36 Comment on definition of Macroeconomic exposure			
Q37 Comment on definition of Mismatching risk			
Q38 Comment on definition of Multiple gearing			
Q39 Comment on definition of Provision for unearned premiums			
24. American Property Casualty Insurance Association (APCIA)	USA	We suggest the following: Balance sheet amount representing the unexpired portion of premiums on policies written through the balance sheet date and which would be earned in subsequent accounting periods.	This definition was deleted since it is used only once in the ICPs and only as an example. Same for “provision of unexpired risks”

Q40 Comment on definition of Provision for unexpired risks			
25. Insurance Authority (IA)	China, Hong Kong	Suggest to replace "the" by "an" to align with the same amendment made in other Glossary. Suggested revision: Balance sheet amount set aside on the balance sheet (in addition to unearned premiums) representing risks to be borne by "an" insurer after the end of the reporting period in order to provide for all claims and expenses in connection with insurance contracts in force in excess of the related unearned premiums and any premiums receivable on those contracts.	See response to comment # 24.
Q41 Comment on definition of Credit rating agency			
26. Insurance Authority (IA)	China, Hong Kong	Regarding the definition of "Credit rating agency", suggest to delete "of debt" to make it consistent with the language used in the definition of "Credit Rating". Suggested revision: An entity that evaluates and assign credit ratings to an issuer of debt or a debt instrument.	Rather than delete "of debt" from the definition of "credit rating agency", "of debt" has been added to the definition of "credit rating" for consistency.
27. American Property Casualty Insurance Association (APCIA)	USA	We suggest: "A nationally recognized statistical rating organization that evaluates and assigns credit ratings to an issuer of debt or a debt instrument."	See response to Comment #16.
Q42 Comment on definition of Reinsurance			
28. General Insurance Association of Japan	Japan	For clarification purposes, we propose using the term "reinsurance premium" instead of "premium", as below: A transaction, in which a ceding insurer transfers some or all of the risks acquired from the insured to the reinsurer, in exchange for a reinsurance premium.	Not necessary to include; wording is consistent with Guidance 13.0.1.
Q43 Comment on definition of Reinsurer			

29. General Insurance Association of Japan	Japan	For clarification purposes, we propose using the term "reinsurance premium" instead of "premium", as below: An insurer that assumes the risks of a ceding insurer in exchange for a reinsurance premium.	See response to Comment #28.
Q44 Comment on definition of Retrocession			
30. General Insurance Association of Japan	Japan	For clarification purposes, we propose using the term "retrocession premium", instead of "premium", as below: Reinsurance ceded by reinsurers to assuming reinsurers in exchange for a retrocession premium.	See response to Comment #28.
Q Comment on definition of Special purpose entity			
30a. General Insurance Association of Japan	Japan	"Since SPE has a legal foundation, we propose adding the word 'legal' to the definition. We also propose adding "The same as a Special Purpose vehicle (SPV)" here because we think SPV is more generally known than SPE. Specifically as follows: A dedicated legal entity or a legally ring-fenced arrangement, specifically constituted to carry out the transfer of risk. (The same as a Special Purpose vehicle (SPV))"	"legal" has been added. Guidance 13.6.6 explains that the IAIS uses SPE to cover a number of similar terms, including SPV.
Q Comment on stress testing			
31. National Association of Insurance Commissioners (NAIC)	USA, NAIC	On definition of Stress Testing: As new material related to the holistic framework includes using stress testing as a way to assess liquidity, the current draft definition of stress testing may be read to cover only solvency rather than liquidity as well, so that there is no real definition for liquidity testing purposes. Suggest ensuring the definition is broad enough to encompass both by deleting "solvency" so it would read: "A method of assessment that measures the financial impact of stressing one or more factors which could severely affect the insurer."	Changes made accordingly.
Q45 Comment on paragraph 18			

32. Insurance Authority (IA)	China, Hong Kong	This paragraph is to provide guidance on group corporate governance and materiality. Suggest to add the wordings in quotation below to align with the language used in ICP 7 "Corporate Governance". Suggested revision: The head of an insurance group is ultimately responsible for the group's sound and prudent management "and oversight of the insurer's business and adequately recognising and protecting the interests of policyholders". In doing so, it is important to take into account the risks and activities of the individual legal entities within the group, focusing in particular on those which are material for the group as a whole.	Disagree. The wording is designed to specifically explain materiality in a group governance context. Adding more wording on corporate governance in general may detract from the overarching concept being described.
33. Global Federation of Insurance Associations	Global	GFIA appreciates that the IAIS took on board its recommendation in the consultation to include the addition of this paragraph in the overarching comments section of the ICPs. This now means that much of the detail language in the individual ICPs including in the applicable ComFrame text can be read in an appropriate context in respect of the appropriate focus of governance and materiality concerning the IAIG as a whole.	Noted.
34. Zurich Insurance Company Ltd.	Switzerland	In the absence of coordination of national legislation on groups of companies and the corporate law principle that the board and management of each and every legal entity is responsible for its organization and its own and sound management only, we suggest §18 be amended as follows, including the proper casing of glossary terms FROM: "The head of an insurance group is ultimately responsible for the group's sound and prudent management. In doing so, it is important to take into account the risks and activities of the individual legal entities within the group, focusing in particular on those which are material for the group as a whole." TO: "The Head of an Insurance Group, i.e. the Board of Directors and the Senior Management of this legal entity, is ultimately responsible that a framework is in place ensuring the group's sound and prudent management. In doing so, it is important to take into account the risks and activities of the individual legal entities	Disagree. The suggested revision is not consistent with how the IAIS defines the head of an insurance group which is the legal entity that controls the activities of the group as a whole. Also, the guidance uses on purpose an active and objective-based language (sound and prudent management). Merely having in place the framework may not be sufficient to achieve the desired objective.

		within the group, focusing in particular on those which are material for the group as a whole."	
35. American Property Casualty Insurance Association (APCIA)	USA	APCIA appreciates that the IAIS took on board its recommendation in the consultation to include the addition of this paragraph in the overarching comments section of the ICPs. This now means that much of the detail language in the individual ICPs including in the applicable ComFrame text can be read in an appropriate context in respect of the appropriate focus of governance and materiality concerning the IAIG as a whole.	Noted.
Q46 Comment on paragraph 19			
36. Insurance Authority (IA)	China, Hong Kong	Similar to our comments on Q45, suggest to add the wordings in quotation below to align with the language used in ICP 7 "Corporate Governance". Suggested revision: While the ultimate responsibility for an insurance group's corporate governance lies with the head of the group, the legal entities within the group are fully responsible for their own sound and prudent management "and oversight of the insurer's business and adequately recognising and protecting the interests of policyholders".	Disagree. The wording is designed to specifically explain the distinction of responsibilities between the head of a group and individual legal entities in a group governance context. Adding more wording on corporate governance in general may detract from the overarching concept being described.
37. Insurance Europe	Europe	Please note the following is a comment on paragraph 22, not paragraph 18. Changes have been made to paragraph 22 but no question/ comment box is provided. We welcome that the IAIS has changed the wording of ComFrame in paragraph 22, to allow for ICS' comparability. However, it remains highly problematic to have a reference to a risk-based, comparable ICS for measuring capital adequacy that will take more years before finalisation. There is in fact uncertainty regarding both the timing of ComFrame (to be endorsed in November 2019) and ICS 2.0 (to be further developed in the coming years) and the uncertainty around the application of potential supervisory measures.	The revision to paragraph 22 reflects resolution of comments from the 2018 consultation on overall ComFrame. As explained in this consultation's cover note, the change in paragraph 22 is provided for information. That said, the purpose of this paragraph is to directly recognise the different timeline the ICS is on with respect to the rest of ComFrame.

38. Global Federation of Insurance Associations	Global	GFIA appreciates the addition of this paragraph in the overarching comments section of the ICPs. This now means that much of the detail language in the individual ICPs including in the applicable ComFrame text can be read in an appropriate context recognizing the distinction between the focus of the IAIG's Board on the IAIG as a whole, and that of the Boards of individual underlying legal entities on those respective entities.	Noted.
39. Zurich Insurance Company Ltd.	Switzerland	In the absence of coordination of national legislation on groups of companies and the corporate law principle that the board and management of each and every legal entity are responsible for their organization and their own and sound management only, we suggest §19 be amended as follows, including the proper casing of glossary terms. Also, note that §18 specifically refers to Head of the Insurance Group, whereas §19 more generally refers to Head of the Group. We strongly suggest to align the use of terms. FROM: "While the ultimate responsibility for an insurance group's corporate governance lies with the head of the group, the legal entities within the group are fully responsible for their own sound and prudent management." TO: "While the ultimate responsibility for the framework ensuring an insurance group's corporate governance lies with the Head of the Insurance Group, the Board of Directors and Senior Management of the legal entities within the group are fully responsible for their own sound and prudent management."	Disagree. The suggested revision makes less clear the point being made in paragraph 19.
40. Association of British Insurers	United Kingdom	Please note the following is a comment on paragraph 22, not paragraph 19. Changes have been made to paragraph 22 but no question/ comment box is provided. We would like to note that even when the IAIS has changed the wording of ComFrame in paragraph 22, to allow for ICS' comparability (stressing we welcome this change) it remains highly problematic to have a reference to a risk-based, comparable ICS for measuring capital adequacy that will not be finalised until the end of the monitoring period. The problem is both in terms of timings: the	See response to Comment #37.

		Framework (ComFrame) is to be endorsed in November 2019, yet ICS 2.0 will continue being assessed from 2020-2024; and in terms of uncertainty around the application of potential supervisory measures.	
41. American Property Casualty Insurance Association (APCIA)	USA	APCIA appreciates the addition of this paragraph in the overarching comments section of the ICPs. This now means that much of the detail language in the individual ICPs including in the applicable ComFrame text can be read in an appropriate context recognizing the distinction between the focus of the IAIG's Board on the IAIG as a whole, and that of the Boards of individual underlying legal entities on those respective entities.	Noted.
Q47 General Comment on draft ComFrame Assessment Methodology			
Q48 Comment on paragraph 57			
42. Zurich Insurance Company Ltd.	Switzerland	The paragraph rightfully notes the "additional considerations" that follow from the group perspective embedded in a ComFrame assessment. The language however remains vague regarding the conduct of assessments specified in §30: self-assessments, peer or third-party reviews and IMF Art. IV/FSAP. Considering that the work on ComFrame started in 2010, we think that the applicability and assessment of ComFrame should be clarified by now, and that IMF Art. IV/FSAP should encompass ComFrame requirements to ensure independence as well as broad and consistent applicability.	The purpose of the methodology is to explain how the IAIS intends for its supervisory material to be used and assessed. What IAIS material other organisations assess is a matter for them.
43. National Association of Insurance Commissioners (NAIC)	USA, NAIC	For consistency, suggest changing the last sentence to read: "...observance of ComFrame Standards."	Agree.
Q49 Comment on paragraph 58			
44. Zurich Insurance Company Ltd.	Switzerland	The language in §§58-60 is weak in regard of supervisory cooperation and coordination, whereas ComFrame rests on supervisory cooperation and coordination. We would therefore expect the IAIS to recommend its member	ICP 25 and its related ComFrame material address supervisory cooperation and coordination, as

		jurisdictions to continuously work on cooperation and coordination instead of noting that "(...), there are limits to what the other supervisors can do to improve the situation." For additional details, kindly refer to our answer to Q51 on paragraph 60.	well as other IAIS material. Paragraphs 58-60 are intended to highlight how supervisory cooperation and coordination should be taken into account in the context of an assessment.
Q50 Comment on paragraph 59			
Q51 Comment on paragraph 60			
45. Zurich Insurance Company Ltd.	Switzerland	In the spirit of our general comment on §§58-60: The necessary legislative changes in support of supervisory cooperation and coordination should be pursued by both the group-wide supervisor and all involved supervisors. Therefore, we propose the following revision of the last sentence in the paragraph: FROM: "(...) An assessment of a group-wide supervisor jurisdiction should focus on whether it has put in place the necessary legislation and supervisory practices for coordination with the other involved supervisors, whereas an assessment of another involved supervisor jurisdiction would focus on its role within this context (for example, coordinating with the group-wide supervisor on processes, exchanging information)." TO: "(...) An assessment of a group-wide supervisor jurisdiction should focus on whether it has put in place the necessary legislation and supervisory practices for coordination with the other involved supervisors and how cooperation and coordination is demonstrated. Group-wide supervisors are expected to lead by example. An assessment of an involved supervisor jurisdiction should focus on whether it has put in place the necessary legislation and supervisory practices for coordination with the group-wide supervisor (and other involved supervisors), as	No change needed; this paragraph is focusing more on the roles versus what you would actually assess (which is described elsewhere).

		well as its role, in practice, within this context (for example, coordinating with the group-wide supervisor on processes, exchanging information)."	
Q52 Comment on paragraph 61			
46. Global Federation of Insurance Associations	Global	This paragraph seems unnecessary as it does not provide anything that is not already contemplated by ICP 25, which also would apply to IAIGs. Moreover, a simple aspirational statement in ComFrame encouraging supervisors to share information, but taken outside the broader context of ICP 25 which also considers safeguards such as MoUs, is too open-ended. GFIA recommends this paragraph be deleted.	Disagree. This describes an additional reporting consideration unique to a ComFrame assessment. Supervisors would be sharing insights learned from an assessment of their supervisory framework, which is different from the type of supervisory cooperation and coordination covered by ICP 25.
47. Aegon NV	The Netherlands	It would be helpful to clarify which "results" are encouraged to be shared within the supervisory college. In context, it seems to refer to the results of assessments of ComFrame implementation.	See response to Comment #49.
48. American Property Casualty Insurance Association (APCIA)	USA	This paragraph seems unnecessary as it does not provide anything that is not already contemplated by ICP 25, which also would apply to IAIGs. Moreover, a simple aspirational statement in ComFrame encouraging supervisors to share information, but taken outside the broader context of ICP 25 which also considers safeguards such as MoUs, is too open-ended. We recommend this paragraph be deleted.	See response to Comment #46.
49. National Association of Insurance Commissioners (NAIC)	USA, NAIC	For clarity, suggest adding: "...to share results of an assessment within the supervisory college..."	Agree.
Q53 Comment on paragraph 62			

50. National Association of Insurance Commissioners (NAIC)	USA, NAIC	For better readability, suggest adding a comma after "information": "While legislation provides the authority to coordinate and exchange information, the supervisor..."	Agree.
Q54 Comment on paragraph 63			
51. Insurance Europe	Europe	The third sentence of paragraph 63 "As observance of the ICPs is a necessary foundation for observance of ComFrame, an assessment of ComFrame Standards cannot be done in isolation." contradicts the last sentence of the same paragraph "It should be determined in advance of an assessment whether the level of observance of ComFrame Standards is included when assessing the level of observance of the relevant Principle Statements within the ICPs or whether an assessment of the level of observance of ComFrame Standards is treated separately".	Revised to clarify the intended meaning.
52. Global Federation of Insurance Associations	Global	The text in this paragraph seems self-contradictory. On the one hand, it states that "[an] observance of the ICPs is a necessary foundation for observance of ComFrame, an assessment of ComFrame Standards cannot be done in isolation." Yet it appears to conclude with the possibility that the scope of an assessment may result in the level of observance of ComFrame Standards being treated separately from that of the underlying ICPs. That conclusion seems to be contradictory, and it is not readily apparent to us how it would be reasonably possible for such a separate assessment to be made without an understanding as well of the "necessary foundation."	See response to Comment #51.
53. General Insurance Association of Japan	Japan	As mentioned in the third sentence, we understand 'an assessment of ComFrame Standards cannot be done in isolation'. Therefore, an assessment of the level of observance of ComFrame Standards and that of ICP should be conducted at the same time (instead of separately). In addition, in terms of transparency and regulatory predictability, methods, criteria, and the IAIS's points of view regarding the assessment should be disclosed to the stakeholders.	See response to Comment #51. Agree. That is the purpose of having the Assessment Methodology sections.

54. American Property Casualty Insurance Association (APCIA)	USA	The text in this paragraph seems self-contradictory. On the one hand, it states that "[an] observance of the ICPs is a necessary foundation for observance of ComFrame, an assessment of ComFrame Standards cannot be done in isolation." Yet it appears to conclude with the possibility that the scope of an assessment may result in the level of observance of ComFrame Standards evaluated in a vacuum without contemporaneous consideration of the observance of the underlying ICPs. That conclusion seems to be contradictory, and it is not readily apparent to us how it would be reasonably possible for such a separate assessment to be made without an understanding as well of the "necessary foundation."	See response to Comment #51.
Q55 General comment on revisions to ICP 7			
55. Institute of International Finance	Global	The last sentence of ICP 7.1.3 should be revised to state, "[W]here individuals undertake functions for more than one legal entity within a group, the group should have in place appropriate measures in order to mitigate conflicts of interest between the different roles to be performed by such individuals." Avoiding any and all conflicts of interest could impose a standard that is extremely difficult, if not impossible, to achieve. Language similar to ICP 7.3.7 could be used to redraft this ICP. We also believe the following sentence, "The effective oversight of the executive functions should be performed by the non-executive members of the Board, because they are not involved in the day-to-day management of the insurer." is unnecessary in light of other provisions of ICP 7.1.1. Further, the reference to "executive functions" is inconsistent with other components of the ICP, which refer to "Senior Management".	Redrafted as follows: "Where individuals undertake functions for more than one legal entity within a group, the group should have in place appropriate measures so that there is no conflicts of interest between the different roles to be performed by such individuals <u>are avoided, or where such conflicts cannot be avoided, they should be managed.</u>" Not agreed to remove the sentence. There is no overlap, since 7.1.3 covers details not referenced explicitly in 7.1.1. Executive function refers to a head of a control function.
Q56 Comment on revisions to ICP 7.0.7			

56. Zurich Insurance Company Ltd.	Switzerland	Our comment is made in the context of our answers to Q45 (§18) and Q46 (§19), reproduced at the end of the comment box for your convenience. The added requirement on "clear reporting lines" between the head of the group and the legal entities within the group might not reflect the diverse models of accepted and implemented governance. The following revised formulation would therefore seem more appropriate: "(...), and clear reporting lines between the Head of the Group and the legal entities within the group, subject to best practices, or applicable law." --- Q45: In the absence of coordination of national legislation on groups of companies and the corporate law principle that the board and management of each and every legal entity is responsible for its organization and its own and sound management only, we suggest §18 be amended as follows, including the proper casing of glossary terms FROM: "The head of an insurance group is ultimately responsible for the group's sound and prudent management. In doing so, it is important to take into account the risks and activities of the individual legal entities within the group, focusing in particular on those which are material for the group as a whole." TO: "The Head of an Insurance Group, i.e. the Board of Directors and the Senior Management of this legal entity, is ultimately responsible that a framework is in place ensuring the group's sound and prudent management. In doing so, it is important to take into account the risks and activities of the individual legal entities within the group, focusing in particular on those which are material for the group as a whole." --- Q46: In the absence of coordination of national legislation on groups of companies and the corporate law principle that the board and management of each and every legal entity are responsible for their organization and their own and sound	Not agreed. Clear reporting lines should be part of the group-wide corporate governance framework regardless of the corporate governance model adopted in a particular group. And while typically institutions are unlikely to have 'reporting lines' between legal entities, the guidance provides necessary flexibility to adapt reporting lines to the organisational model of a group and in compliance with applicable law. This flexibility is implicit, similar to other ICPs. See response to comment 34.
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		management only, we suggest §19 be amended as follows, including the proper casing of glossary terms. Also, note that §18 specifically refers to Head of the Insurance Group, whereas §19 more generally refers to Head of the Group. We strongly suggest to align the use of terms. FROM: "While the ultimate responsibility for an insurance group's corporate governance lies with the head of the group, the legal entities within the group are fully responsible for their own sound and prudent management." TO: "While the ultimate responsibility for the framework ensuring an insurance group's corporate governance lies with the Head of the Insurance Group, the Board of Directors and Senior Management of the legal entities within the group are fully responsible for their own sound and prudent management."	
Q57 Comment on revisions to ICP 7.0.8			
57. Zurich Insurance Company Ltd.	Switzerland	In recognition of the diverse models of governance, we propose to either strike out "(e.g. centralised or decentralised model)" or to revise the bracket by adding a reference to hybrid models of governance as follows: "(e.g. centralised, decentralised or hybrid model)"	The text revised in line with a language used in other ICPs and ComFrame: "(eg more centralised or more decentralised)".
Q58 Comment on revisions to ICP 7.1.3			
58. Institute of International Finance	Global	The last sentence of ICP 7.1.3 should be revised to state, "[W]here individuals undertake functions for more than one legal entity within a group, the group should have in place appropriate measures in order to mitigate conflicts of interest between the different roles to be performed by such individuals." Avoiding any and all conflicts of interest could impose a standard that is extremely difficult, if not impossible, to achieve.	See response to comment 55.

59. National Association of Insurance Commissioners (NAIC)	USA, NAIC	Standards and guidance in other ICPs and ComFrame that address conflicts of interest use wording like address, manage, mitigate, avoid, etc., in recognition that in some cases it may not be possible to have no conflicts of interest. Suggest revising the new text to be consistent with other material on conflicts of interest: "...the group should have in place appropriate measures so that conflicts of interest between the different roles to be performed by such individuals are avoided or mitigated.	See response to comment 55.
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