



	Comments
<b>ICP4</b>	
4.0.2	We welcome the addition of the last sentence as it increases predictability.
4.3	Now that the previous ICP23.5 is to be deleted, the definition of "effective supervision" is not necessarily clear. Therefore, we suggest deleting the second bullet point. Rather than setting a requirement on complexity of an organisational structure, requiring information on a group profile as defined in 4.3.3 will suffice.
4.3.1	We welcome the clarification of the entire licensing process including the timeline.
4.3.3	We suggest adding the following sentence at the end of the paragraph, to ensure implementation in accordance with each jurisdiction's actual circumstances, rather than in an inflexible, uniform manner: "As local legislation and conditions (e.g. the size of the company and types of businesses to be written) vary, each jurisdictional supervisor should be able to decide what information is to be submitted."
4.3.4	We suggest adding the following sentence at the end of the paragraph, to ensure implementation in accordance with each jurisdiction's actual circumstances, rather than in an inflexible, uniform manner: "As local legislation and conditions (e.g. the size of the company and types of businesses to be written) vary, each jurisdictional supervisor should be able to decide what information is to be submitted."
4.5	To increase predictability and transparency, we suggest revising "where appropriate" in the second sentence as follows: "where appropriate depending on prescribed laws, regulations or guidelines"
<b>ICP5</b>	
5.2.1	We suggest revising "is demonstrated" in the first sentence to "can be demonstrated", because competence is not necessarily demonstrated through "evidence regarding the level of an individual's professional or formal qualifications and knowledge, skills and pertinent experience within the insurance and financial industries or other businesses".
5.3.2	In order to prevent arbitrary supervisory decisions and opaque discretionary supervision, we suggest adding the following phrase at the beginning of the last sentence: "In line with prescribed laws, regulations and guidelines,"
5.3.5	It is inappropriate to require the submission of evidenced documents described in this paragraph because some individuals with less knowledge and experience within the insurance and financial industries can nevertheless be suitable thanks to their excellent management skills. We suggest adding the following sentence to the first paragraph: "Submission should be required in line with prescribed laws, regulations and guidelines."
5.3.7	The inclusion of "civil liability" and "pending proceedings" in the first bullet point of "Criminal indicators" could be an excessive requirement. Moreover, it is difficult to collect information on and conduct an object assessment of "strength of character" described in the last bullet point of "Other indicators". In consideration of the above, we are concerned about arbitrary supervisory decisions in suitability assessments. We suggest adding the following sentence to Paragraph 5.3.7, to prevent potential discretionary supervision: "In addition, transparency of the suitability assessment should be ensured through prescribed laws, regulations and guidelines in each jurisdiction."



	Inappropriate implementation that prevents or delays an appointment or dismissal should be avoided."
ICP7	
7	<p>This draft introduces additions and modifications for a variety of requirements such as the organisational structure of the insurer, the Senior Management, and the External Audit.</p> <p>We believe that their operation and interpretation should differ by each jurisdiction, in accordance with local legislation and circumstances. Therefore, we suggest clarifying that these additions and modifications would be applied in accordance with the legislation and circumstances of each jurisdiction.</p>
7.1.3	<p>As oversight of executive function differs in each jurisdiction in accordance with local legislation, for some jurisdictions, the second sentence may not necessarily be appropriate.</p> <p>For example, the Companies Act in Japan stipulates that the Board of Directors as a whole, both non-executive and executive members, supervise the execution of duties by directors. The act also stipulates that the Audit &amp; Supervisory Board Members shall audit the execution of duties by directors and enjoin acts of directors when necessary.</p> <p>Therefore, we suggest adding the following sentence after the second sentence :</p> <p>"(This may not be the case if there are other organs or frameworks which perform the effective oversight role in accordance with the legislations and circumstances of each jurisdiction.)"</p>
7.1.4	<p>We suggest further clarifying the situation illustrated by the second bullet point "ensure that senior management's knowledge and expertise remain appropriate given the nature of the business and the insurer's risk profile" using examples.</p>
7.3.6	<p>The last sentence, "To promote checks and balances, the Chair of the Board should be a non-executive Board member and should not serve as chair of any Board committee.", which was newly added, may not necessarily be appropriate for certain jurisdictions because checks and balances of the Board are promoted differently by each jurisdiction, in accordance with local legislation.</p> <p>For example, establishment of an Audit &amp; Supervisory Board to ensure checks and balances of the Boards of Directors in Japan is allowed.</p> <p>In addition, it is stipulated that the Board of Directors as a whole is ensured to supervise the execution of duties by directors.</p> <p>Therefore, we suggest adding the following sentence after the last sentence:</p> <p>"(In jurisdictions where the chair is permitted to assume executive duties or serve as chair of any Board committee, this may not be the case if there are other measures which promote the checks and balances role.)"</p>
7.8.3	<p>The way in which external auditors are positioned in corporate governance structure and how and by whom their assessments are conducted differ by jurisdiction, in accordance with local legislation.</p> <p>In Japan, the Audit &amp; Supervisory Board took over the role of assessing the competence of external auditors from the Board of Directors after the revision of the Companies Act this May.</p> <p>Therefore, we suggest revising the second sentence "This includes the assessment of the external auditor's ability to:" as follows:</p> <p>"When assessing the external auditor's ability for this purpose, examples of the external auditor's ability to be assessed are as follows (The assessment of the competency of the external auditors could be conducted by the Board of Directors or by other organs besides Board of Directors in accordance with the local circumstances of each jurisdiction):"</p>
ICP8	



GIAJ comments on the IAIS's Revision of ICPs

8.1.8	<p>Subject to types of risks, it may be impossible to include specific indicators or events corresponding to early warnings or triggers in the risk management system.</p> <p>Therefore we suggest revising this paragraph as follows:</p> <p>"Where necessary, the risk management system should include elements such as early warnings or triggers that allow timely consideration of, and adequate response to, material risks."</p>
8.2.4	<p>We suggest revising the third bullet point of "Information and communication" as follows, to make it easier to understand:</p> <p>"reliable information systems that cover all significant activities of the insurer. These systems, including those that hold and use data in an electronic form, are supported by adequate contingency arrangements."</p>