



GIAJ comments on the IAIS consultation on revised ICPs and ComFrame material integrated with ICPs

CF 5.2a.1	Q3	Considering one of the criteria to identify IAIGs (i.e. the percentage of gross premiums written outside the home jurisdiction is at least 10% of the group's total gross written premium), it is redundant to require all IAIG Board members, Senior Management and Key Persons in control functions to have knowledge and experience with international business and processes. While what this guidance describes might be necessary for IAIG Board members "collectively", it is not always necessary for all Board members "individually" to have experience with different business models.
CF 7.1a	Q9	As what "independent of day-to-day management" means is ambiguous, the phrase should be deleted.
CF 7.2a	Q13	It should be clarified that this standard requires these 5 bullet points to be considered, rather than to be explicitly demonstrated in group-wide business objectives and strategies.
CF 7.2b.1	Q17	We understand that the list of components here is intended to provide guidance. Therefore, we suggest revising "should include" to "may include, but is not limited to".
CF 7.3b.1	Q21	It is always possible that, due to the principle of competition, profit generated by one legal entity within an IAIG equals a loss for another entity within the same IAIG (for example, when they are engaged in similar businesses in the same area). It should be clarified that the "conflicts of interest" referred to in this guidance do not cover such cases.
ICP 8	Q22	While IAIG governance structures can be centralised or decentralised, the ComFrame material in ICP 8 is seemingly premised on IAIGs whose governance structures are centralised to a considerable degree. As business and regulatory environments vary among insurance legal entities within an IAIG, in addition to centralised governance approaches which establish a unified risk management system at the group level, decentralised approaches should be allowed, where, according to the IAIG's risk management framework, each group entity establishes its own risk management system in consideration of factors such as its business size and surrounding environment. Therefore, at the beginning of the ComFrame material, it should be clarified that both approaches are allowed.
CF 8.1a	Q23	Although this standard is premised on more centralised Control Functions, more decentralised Control Functions should also be allowed. Therefore, the description is too detailed for a standard, and the list here should be moved to a guidance level. Even if the list is dealt with in guidance, we are concerned that the description could be read to indicate that strict documentation of all the matters on the list is required to establish a risk management system. In particular, it is impractical to require documentation of "laws and



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		regulations of the jurisdictions where the IAIG operates". It is more appropriate to require the Head of the IAIG to establish a system that "considers" these listed matters, rather than "covers".
CF 8.1a.2	Q25	This guidance may be read to indicate that the Head of the IAIG is required to conduct a risk assessment regarding all new products sold by insurance legal entities within the IAIG, in which case such an approach would be too centralised. The first sentence should be deleted and the wording revised such to the following: "The Head of the IAIG should have in place adequate processes, controls and systems to manage the risks of new business lines, and require its legal entities to take appropriate measures."
CF 8.1b	Q26	It is redundant to require the Head of the IAIG to annually review the risk management system. We suggest revising "annually" to "as appropriate".
CF 8.1c	Q27	There are various ways to promote a risk culture, depending on the group entities' business size and surrounding environment. As the unified requirement in this standard on "processes and procedures" at the group level could lessen the effectiveness, we suggest deleting or revising it as follows, for example: "The group-wide supervisor requires the Head of the IAIG to promote an appropriate risk culture."
CF 8.1c.1	Q28	There are various ways to promote a risk culture, depending on the group entities' business size and surrounding environment. As the unified requirement in this standard on "processes and procedures" at the group level could lessen the effectiveness, we suggest deleting it. There are insurance groups, particularly in Japan, that have entities engaged in businesses less relevant to insurance and other financial businesses. It is difficult, for example, to promote a risk culture which provides all general staff members of such entities with salary incentives. Therefore, the reference to "appropriate incentives for staff" should be deleted.
CF 8.2a	Q29	Although this standard is premised on centralised Control Functions, more decentralised Control Functions should also be allowed. Therefore, the description is too detailed for a standard, and the list here should be moved to a guidance level. Even if the list is dealt with in guidance, we are concerned that the description could be read to indicate that strict documentation of all the matters on the list is required to establish an internal controls system. In particular, it is impractical to document "laws and regulations of the jurisdictions where the IAIG operates". At the same time, although there are lots of relevant laws and regulations, the scope of this standard is ambiguous. It is more appropriate to require establishment of a system that "considers" these listed matters in documents, rather than "covers".



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CF 8.2b	Q30	As for the second bullet point, in light of current jurisdictional circumstances, assessments carried out by an independent objective party should be limited to those on effectiveness of internal controls over financial reporting under jurisdictional regulations. Additionally, it should be clarified that this standard will be applied depending on materiality.
CF 8.3c	Q33	As for the first bullet point ("are not combined"), it is common in Japan for one division (a risk management division, an accounting division, etc.) to perform more than one control function (a risk management function, an actuarial function, etc.), and an insurer's actuarial function is fulfilled collectively by several divisions. We recognise that such practices do not entail problems. As the point could place unnecessarily strict restrictions on an IAIG's control structure, it should be deleted. If it is difficult to delete it, we suggest revising this standard to clearly allow for practices such as the above.
CF 8.4a	Q34	<p>Although this standard is premised on centralised Control Functions, more decentralised Control Functions should also be allowed. Therefore, the description is too detailed for a standard, and the list here should be moved to a guidance level.</p> <p>Even if the list is dealt with in guidance, it is overly burdensome for the Head of an IAIG to ensure that the IAIG risk management function makes "at least quarterly" risk management reports to the IAIG Board or one of its committees (the last bullet point). In Japan, insurers are legally required to submit such reports half-yearly, and the frequency of internal reporting is determined by each insurer. Hence, to allow for more flexibility we suggest revising "at least quarterly" to "regularly", for example.</p> <p>In addition, this bullet point can be read as requiring each insurance legal entity to make reports to the IAIG Board or one of its committees, which is redundant. It should be clarified that only group-wide reporting to the IAIG Board or one of its committees is required (for example, by revising "risk management reports" to "group-wide risk management reports").</p>
CF 8.5a	Q38	Although this standard is premised on more centralised Control Functions, more decentralised Control Functions should also be allowed. Therefore, the description is too detailed for a standard, and the list here should be moved to a guidance level.
CF 8.6a	Q39	<p>Although this standard is premised on centralised Control Functions, more decentralised Control Functions should also be allowed. Therefore, the description is too detailed for a standard, and the list here should be moved to a guidance level.</p> <p>Even if the list is dealt with in guidance, it should be revised to flexibly allow for different approaches. It is common in Japan that an insurer's actuarial function is fulfilled collectively by several divisions, and we recognise that such practices do not entail problems.</p>



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		<p>Therefore, such practices as the above should clearly be allowed under ComFrame.</p> <p>In particular, detailed requirements on the operations of an IAIG's actuarial function will increase the burden of the Head of the IAIG. Hence, it should be clarified that, with regard to the IAIG's actuarial function, simplified responses and those depending on proportionality are allowed. We would also like to note that the application of the proportionality principle should be clarified for other functions as well.</p>
CF 8.6b	Q40	<p>It is common in Japan that an insurer's actuarial function is fulfilled collectively by several divisions, and we recognise that such practices do not entail problems. Therefore, this standard should be revised to allow for such practices under ComFrame.</p> <p>How an actuarial function is performed could vary according to market and insurer. In Japan, there are cases where the function is fulfilled by a division which is under the management of a Board member. Therefore, "independent" in the second bullet point should be deleted. Additionally, as "actuarial information" should be limited to major, high-level particulars, and the fact that what "insurance activities" could indicate is too broad, we suggest revising "insurance activities" in the second bullet point to "actuarial activities" or similar phrases.</p>
CF 8.7a	Q41	<p>Although this standard is premised on more centralised Control Functions, more decentralised Control Functions should also be allowed. Therefore, the description is too detailed for a standard, and the list here should be moved to a guidance level.</p>
CF 8.8d	Q46	<p>As requiring a review of the cumulative risks of "all outsourced activities" is redundant, we suggest revising it to "important activities" or similar phrases to limit the scope.</p>
CP 3.3	Q12	<p>As information requests by the supervisor should be conditioned on a legitimate interest and valid supervisory purpose and the scope should not be limited to confidential information, "confidential" should be deleted or revised to "non-published".</p>
ICP 25.1.2	Q42	<p>The connection between ICP 25.1.1 and this guidance should be clarified. The current ambiguous description ("In case a different or several involved supervisors fulfil the conditions to be considered as a group-wide supervisor") should be revised as follows, for example: "In principle, the home supervisor of the head of the insurance group should be the group-wide supervisor. However, in cases where it is considered appropriate for a supervisor other than the home supervisor to be a group-wide supervisor, factors to consider regarding the identification of a group-wide supervisor should include, but not be limited to:"</p>



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CF 25.1a.1	Q43		As ICP 25.1.1 and 25.1.2 address the identification of a group-wide supervisor, it is unnecessary to have a provision specifically for IAIGs. Therefore, this guidance should be deleted.
CF 25.6a	Q70		In order to ensure the flexible operation of supervisory colleges where appropriate, the frequency of supervisory college meetings should be "basically" annually rather than "at least" annually.
	Q71	Yes	
	Q75	No benefit	
CF 25.6b	Q80		The Field Testing questions regarding this standard are for supervisors, and we are not in a position to answer.
ICP 25.6.10	Q87		It is preferable that supervisors cooperate through supervisory colleges to smoothly conduct group supervision, while each of them, according to its own authorities, conducts supervision at the jurisdictional level. However, "coordinating supervisory activities such as joint off-site monitoring or on-site inspections" is out of the scope of such cooperation, and means that supervisors, beyond their authorities, can be engaged in supervisory review in other jurisdictions, which is not desirable. Therefore, the reference to joint off-site monitoring and on-site inspections should be deleted.
CF 25.7a	Q98		We oppose the proposed uniform regulatory burden which requires establishment of a crisis management group for all IAIGs, including those that are soundly managed. Without CMGs, the purpose can be served through the supervisory college's coordination arrangements between involved supervisors. Even if establishment of CMGs were to be considered, the scope should be limited to specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.
	Q99	No	
	Q103	No benefit	
CF 25.7a.5	Q108		While basically it is unnecessary to establish CMGs for IAIGs that are soundly managed, recovery and resolution planning for IAIGs except G-SIIs is also unnecessary. Therefore, reference to it should be deleted.  Establishment of CMGs should be examined only under specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the



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			ORSA.
CF 25.7b	Q109		As this question is for supervisors, we are not in a position to answer.
ICP 25.9.1	Q122		The meaning of "plan for public communication" should be clarified (i.e. whether it intends to control information in times of crisis). If it intends to control information on insurers, their policyholders, investors and other stakeholders might face undesirable consequences.
CF 9.0a	Q6	Yes	Assessments by the group-wide supervisor in cooperation with other involved supervisors are carried out through supervisory colleges and other means.
	Q7		It is difficult to estimate the costs.
	Q8		It is difficult to estimate the costs.
	Q9		It is difficult to estimate the costs.
	Q10	No benefit	As supervisory colleges are already in place for major insurers, there is no benefit to setting this standard.
CF 9.0b	Q12	Yes	The group-wide supervisor assesses whether the relevant legislation and supervisory requirements which apply at the level of the IAIG are met.
	Q13		It is difficult to estimate the costs.
	Q14		It is difficult to estimate the costs.
	Q15		It is difficult to estimate the costs.
	Q16	No benefit	As supervision at the group level is already in place, there is no benefit of setting this standard.
ICP 9.1.6	Q23		It should be clarified that the listed matters in this guidance are limited to those of high importance.
ICP 9.1.7	Q24		With regard to comparison between risk assessments and any stress test outcomes, in CF 9.2b, outcomes of the IAIG's stress testing is included on the list of components of the group-wide supervisor's group-wide risk assessment. The connection between this guidance and CF 9.2b is ambiguous. This guidance should be revised to clarify exactly what is required of IAIGs.



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ICP 9.1.8	Q25		Insurers do not have payment and settlement systems, and their systemic risk is relatively small compared to that of banks. Therefore, it is unnecessary to require assessment of the potential impact of the failure of all insurers, including those that have not even been designated as SIFIs. The scope should be limited to specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.
ICP 9.1.9	Q26		If "communication" in this guidance is intended to be part of supervision, it is inappropriate to include a provision which allows the supervisor to directly affect the insurer's businesses for which the supervisor does not have supervisory power, such as non-regulated entities. This guidance should be revised to clarify that "communication" is not meant to be part of supervision.
ICP 9.1.10	Q27		There is a contradiction between the ICP 9.0.2 and this guidance. While the former explains that supervision includes intervention "where necessary", according to the latter, "the framework should promote pro-active and early intervention by the supervisor". As this guidance merely describes a wish or a will rather than a rule, we suggest deleting it.
ICP 9.1.14	Q31		Although this guidance requires the framework for supervisory review and reporting by the group-wide supervisor to cover all entities identified within the scope of the insurance group, non-regulated entities and other specific entities should be excluded.
ICP 9.1.15	Q32		Assessments of the potential adverse impact that non-regulated entities could cause are premised on not using direct supervisory approaches. In order to prevent a misunderstanding that this guidance provides for the supervisor's direct access to entities for which it does not have supervisory power, how such assessments are to be conducted should be clarified.
ICP 9.1.16	Q33		It is preferable that supervisors cooperate through supervisory colleges to smoothly conduct group supervision, while each of them, according to its own authorities, conducts supervision at the jurisdictional level. However, conducting joint on-site inspections is out of the scope of such cooperation, and means that supervisors, beyond their authorities, can be engaged in supervisory review in other jurisdictions, which is not desirable. Therefore, the last sentence should be deleted.



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CF 9.2a	Q39	Partially	Through insurers' ORSA and other means, group-wide risk assessment is conducted to some extent.
	Q40		It is difficult to estimate the costs.
	Q41		It is difficult to estimate the costs.
	Q42		It is difficult to estimate the costs.
	Q43	Reasonably beneficial	To some degree, it is beneficial to conduct group-wide risk assessment through measures such as the IAIG's ERM at its discretion and its ORSA based on the ERM. However, it is overly burdensome for the IAIG to implement all the requirements of CF9.2a.
CF 9.2b	Q49		<p>The group-wide supervisor's group-wide risk assessment of an IAIG should be conducted in consideration of factors such as the size, complexity, and nature of the IAIG's businesses as well as its financial soundness. Therefore, a uniform requirement on components of the assessment is unnecessary, and we suggest revising "at a minimum" in the first sentence to "when necessary". Even if such a revision is made, the list here is too detailed for a standard, and should be moved to a guidance level.</p> <p>In addition, we have the following concerns about the listed matters:</p> <ul style="list-style-type: none"> <li>- As "the capital adequacy to meet the regulatory capital requirements for each insurance legal entity within the IAIG" should be confirmed by the jurisdictional supervisor, it is inappropriate to include this in the regulatory group-wide risk assessment.</li> <li>- "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" is premised on centralised governance structures. With consideration given to a more decentralised ones, this bullet point should be deleted.</li> <li>- Clarification is needed if "adequacy" indicates "capital adequacy".</li> <li>- As for "an assessment of the potential impact that an IAIG's failure would have on policyholders, the insurance market, and the financial markets as a whole", if this intends to have IAIGs assess these elements as part of their ORSA, we oppose such an intention. Rather, the assessment should be conducted by the supervisor.</li> </ul>





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	Q50	Partially	Through insurers' ORSA and other means, group-wide risk assessment is conducted to some extent.
	Q51		It is difficult to estimate the costs.
	Q52		It is difficult to estimate the costs.
	Q53		It is difficult to estimate the costs.
	Q54	Reasonably beneficial	To some degree, it is beneficial to conduct group-wide risk assessment through measures such as the IAIG's ERM at its discretion and its ORSA based on the ERM. However, it is overly burdensome for the IAIG to implement all the requirements of CF9.2b.
CF 9.2b.1	Q55		While this guidance is premised on development of recovery and resolution plans, insurers do not have payment and settlement systems, and their systemic risk is relatively small compared to that of banks. Therefore, it is unnecessary to require development of these plans for all IAIGs, including those that have not even been designated as SIFIs. The scope should be limited to specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.
CF 9.2b.3	Q57		While consideration of "the severity of the stress scenarios in each of the IAIG's major operating jurisdictions" is required as part of the IAIG's group-wide risk assessment, it is redundant to always consider such a factor at the jurisdictional level in group-wide assessment. Setting stress scenarios from the group-wide perspective will be sufficient.
CF 9.2b.4	Q58		"The availability of capital in meeting the regulatory capital requirements for each insurance legal entity of the IAIG in each jurisdiction" is assessed by each jurisdictional supervisor. Therefore, it is redundant for the group-wide supervisor to conduct a further assessment. As assessment by the group-wide supervisor on whether and how the regulatory capital requirements at the group level are to be met will be sufficient, the last sentence should be deleted.
CF 9.2b.6	Q60		The fungibility of capital under the ICS is scheduled to be, and indeed should be examined as part of ICS Version 2.0 development. In addition, because this guidance could be read as requiring a strict application even for relatively small capital amounts within the group, "Where appropriate" or similar phrases should be added at the beginning.



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CF 9.2b.7	Q61		Insurers do not have payment and settlement systems, and their systemic risk is relatively small compared to that of banks. Therefore, it is redundant to require macro-prudential analysis for all insurers, including those that have not even been designated as SIFIs. The scope should be limited to specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.
ICP 9.4	Q66		While it is reasonable for the supervisor to develop relevant auditing standards, in light of the heavy compliance burden compared with current practices, we oppose any requirements on an audit of figures of subsidiaries to be submitted to the supervisor when such an audit is not even required under financial accounting rules.
ICP 9.4.3	Q69		The type of information that insurers are required to report should be limited to that of high importance.
ICP 9.4.5	Q71		In Japan, insurers are not currently required to use audited balance sheets to calculate their solvency margin ratio. If the usage of audited balance sheets becomes compulsory for all reports submitted to the supervisor, including those for solvency regulation, the burden on insurers will be excessively heavy.
ICP 9.4.9	Q75		Japan's Financial Instruments and Exchange Act (Article 193-3) provides that, upon discovering significant problems, a certified public accountant or auditing firm must give a written notice to the company, and under certain conditions such as an absence of any appropriate measures taken by the company within the specified period, report to the supervisor after notifying the company of the filing. In this context, it is reasonable for the external auditor to report to the supervisor directly. However, at the same time, the external auditor is required to notify the insurer's auditor of the filing without delay. Therefore, we find requiring that "such information should be provided to the supervisor without the need for prior consent of the insurer" unreasonable. In principle, a structure where the insurer rather than the external auditor reports to the supervisor should be ensured.
ICP 9.4.14	Q80		Although coordination with the supervisors of affected jurisdictions is indicated as a condition, it is not appropriate to allow the supervisor to obtain relevant information from any entity within an insurance group, even if it is located in other jurisdictions.



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			ICP 3 provides that, if a legitimate interest and valid supervisory purpose exists, involved supervisors share information. Therefore, this guidance should be deleted.
ICP 9.4.16	Q82		The information submitted to the group-wide supervisor regarding intra-group transactions should be limited to that on significant transactions.
CF 9.4a	Q83		ICS reporting requirements should clarify a general principle that, depending on materiality, flexible treatment is ensured with regard to the scope of calculation and calculation methods. It should also be made clear that the IAIG will report in line with the jurisdictional legislation and implementation of the ICS. In addition, we suggest deleting "in cooperation with other involved supervisors", because such cooperation is unnecessary with regard to reporting and the calculation of the ICS.
	Q84	No	The development of the ICS has not been completed.
	Q85		It is difficult to estimate the costs, because the content of the ICS has not been finalised. However, it will be very costly to establish a system to calculate on a consolidated group basis for the ICS Ratio reporting, which entails preparations for mark-to-market valuation of insurance liabilities at the individual entity level, development of a risk measurement system on a consolidated group basis, and sophistication of the IT system.
	Q86		It is difficult to estimate the costs.
	Q87		It is difficult to estimate the costs.
	Q88	Minimum benefit	
CF 9.6a	Q105	Yes	
	Q106		It is difficult to estimate the costs.
	Q107		It is difficult to estimate the costs.
	Q108		It is difficult to estimate the costs.



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	Q109	Reasonably beneficial	On-site inspections would be beneficial if they produce advice that contributes to sophistication of the insurer's management.
CF 9.6b	Q113		It is preferable that supervisors cooperate through supervisory colleges to smoothly conduct group supervision, while each of them, according to its own authorities, conducts supervision at the jurisdictional level. However, conducting joint on-site inspections is out of the scope of such cooperation, and means that supervisors, beyond their authorities, can be engaged in supervisory review in other jurisdictions, which is not desirable. Therefore, this standard should be deleted.
	Q114	No	On-site inspections by supervisors of other jurisdictions are not conducted.
	Q115		It is difficult to estimate the costs.
	Q116		It is difficult to estimate the costs.
	Q117		It is difficult to estimate the costs.
	Q118	No benefit	There is no particular benefit.
CF 9.6b.1	Q119		It is preferable that supervisors cooperate through supervisory colleges to smoothly conduct group supervision, while each of them, according to its own authorities, conducts supervision at the jurisdictional level. However, conducting joint on-site inspections is out of the scope of such cooperation, and means that supervisors, beyond their authorities, can be engaged in supervisory review in other jurisdictions, which is not desirable. Therefore, this guidance should be deleted.
CF 9.6b.2	Q120		It is preferable that supervisors cooperate through supervisory colleges to smoothly conduct group supervision, while each of them, according to its own authorities, conducts supervision at the jurisdictional level. However, conducting joint on-site inspections is out of the scope of such cooperation, and means that supervisors, beyond their authorities, can be engaged in supervisory review in other jurisdictions, which is not desirable. Therefore, this guidance should be deleted.
CF 9.7a	Q125	Partially	Following supervisory review, the group-wide supervisor occasionally provides feedback for the Head of the IAIG.
	Q126		It is difficult to estimate the costs.
	Q127		It is difficult to estimate the costs.



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	Q128		It is difficult to estimate the costs.
	Q129	Reasonably beneficial	The feedback would be beneficial as long as it contributes to sophistication of the insurer's management.
Annex A	Q130		As for "Senior Management and Key Persons in Control Functions" in the fifth bullet point, documenting the suitability and effectiveness of all these posts is not always common, given changes in business environments. We suggest deleting this part.
Annex C			As for the last bullet point "identifying of any conflicts of interest arising from intra-group relationships or relationships with external entities", addressing "any conflicts of interest" is inefficient and impractical. The scope should be limited to those of materiality, and the management of such conflicts should be in accordance with jurisdictional laws and regulations.
ICP 10.0.3	Q135		On the premise that documentation of a supervisor's framework ensures foreseeability for insurers regarding preventive measures, corrective measures, and sanctions, we understand the importance of leaving room for the exercise of supervisory judgement and discretion.  However, attention should be paid to prevent a situation where these measures are taken with excessive supervisory discretion and cause confusion to consumers. Therefore, we suggest revising the third sentence as follows: "...so, provided the supervisor sufficiently fulfills its accountability, flexibility should be allowed...".
CF 10.0a	Q141		(1) Should the ComFrame standard refer to any specific measures which must be available to the group-wide supervisor to apply directly to the Head of the IAIG? Such measures should be referred to by guidance.  (2) If yes, what measures should be referred to in the standard?  While we understand the importance of ensuring flexibility in terms of measures the group-wide supervisor may take, in order to gain an improved mutual understanding of references to possible concrete actions, such measures should be provided in guidance in a similar manner as in 10.2.5, rather than referred to in the ComFrame standard as uniform powers.



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	Q142		As this question is for supervisors, we are not in a position to answer.
	Q143		As this question is for supervisors, we are not in a position to answer.
	Q144		As this question is for supervisors, we are not in a position to answer.
	Q145		As this question is for supervisors, we are not in a position to answer.
	Q146		As this question is for supervisors, we are not in a position to answer.
CF 10.0b	Q150		As this question is for supervisors, we are not in a position to answer.
	Q151		As this question is for supervisors, we are not in a position to answer.
	Q152		As this question is for supervisors, we are not in a position to answer.
	Q153		As this question is for supervisors, we are not in a position to answer.
	Q154		As this question is for supervisors, we are not in a position to answer.
CF 10.2a	Q173		We suggest revising "or" after "is inconsistent with any relevant regulatory requirements" to "and". In addition, the first sentence should be revised as follows: "Provided it sufficiently fulfills its accountability, the group-wide supervisor requires..." This is because the phrase "likely to" used in the following bullet points could be read to indicate that the supervisor can fully exercise its discretion.
	Q174		As this question is for supervisors, we are not in a position to answer.
	Q175		As this question is for supervisors, we are not in a position to answer.
	Q176		As this question is for supervisors, we are not in a position to answer.
	Q177		As this question is for supervisors, we are not in a position to answer.
	Q178		As this question is for supervisors, we are not in a position to answer.
ICP 10.3.3	Q185		It should be further clarified that not all insurers or groups are required to produce a recovery plan. This guidance gives an example of an insurer that is "complex, systemically important and/or has a different risk profile or business model compared to other insurers". The guidance should be revised to clarify that the scope is limited to such companies as exemplified.



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CF 10.3a	Q188		<p>Requiring IAIGs to develop a recovery plan will narrow differences in regulatory requirements between G-SIIs and IAIGs. However, systemic risk of IAIGs is smaller than that of G-SIIs. Moreover, the main aim of ComFrame is not to control systemic risk, but to promote cooperation among jurisdictional supervisors in the supervision of Internationally Active Insurance Groups. Therefore, what is required for a recovery plan should greatly differ between G-SIIs and IAIGs. In light of risk-based supervision, considering the balance between merits that regulation will bring about and the accompanying costs, it is also not practical to require all IAIGs to develop a recovery plan in a uniform manner.</p> <p>The scope should be limited to specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.</p>
	Q189	No	<p>As insurers need to take additional measures such as internally ensuring personnel or hiring external consultants to develop a recovery plan, they will bear a heavy cost in complying with ComFrame.</p> <p>From this perspective, and for the other reasons we pointed out in our answer to Q188 (considering the balance between the merits and the costs), it is not practical to require IAIGs to develop a recovery plan in a uniform manner.</p>
	Q190		<p>As insurers need to take additional measures such as internally ensuring personnel or hiring external consultants to develop a recovery plan, they will bear a heavy cost in complying with ComFrame.</p>
	Q191		<p>As insurers need to take additional measures such as internally ensuring personnel or hiring external consultants engaged in the maintenance, ongoing verification and review of a recovery plan, they will bear a heavy cost in complying with ComFrame.</p>
	Q193	Minimum benefit	<p>While we understand, to a certain degree, that it is meaningful to develop a recovery plan to prepare for a crisis, it is impractical to require all IAIGs to develop one in a uniform manner, in consideration of the balance between the accompanying costs and the merits.</p>
CF 10.3a.1	Q194		<p>To make the intent of the guidance clearer, we suggest adding the following at the beginning of it: "Under the proportionality principle,"</p>
CF	Q199		<p>While this guidance seemingly requires IAIGs to develop and maintain management information systems, a uniform</p>



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10.3a.6			application should be avoided as we mentioned in our answer to Q188. We agree that IAIGs should have in place a type of management information system. On the other hand, the proportionality principle should be fully applied. For example, the frequency of information collection should depend on the IAIG's systemic importance and the level of urgency of its recovery.
CF 10.3a.7	Q200		While we understand the importance of IAIGs' crisis management and risk management, it is impractical to require all IAIGs to develop a recovery plan in a uniform manner (please refer to our comment on Q188).
CF 10.3a.8	Q201		As we described in our comment on Q188, not all IAIGs should be required to develop a recovery plan. Additionally, in the development and maintenance of a recovery plan, it is necessary to sufficiently consider jurisdictional circumstances. Therefore, in determining a range of issues including the content of a recovery plan, discretion of the home supervisor should be respected as much as possible.
CF 10.3a.9	Q202		As we described in our comment on Q188, not all IAIGs should be required to develop a recovery plan. Additionally, in the development and maintenance of a recovery plan, it is necessary to sufficiently consider jurisdictional circumstances. Therefore, in determining a range of issues including the content of a recovery plan, discretion of the home supervisor should be respected as much as possible.
CF 10.3b	Q204		While this guidance requires IAIGs to develop and maintain management information systems, a uniform application should be avoided as we mentioned in our answer to Q188. We agree that IAIGs should have in place a type of management information system. On the other hand, the proportionality principle should be fully applied. For example, the frequency of information collection should depend on the IAIG's systemic importance and the level of urgency of its recovery.
	Q205	Partially	While depending on the frequency and the degree of responses required regarding MIS, if IAIGs are required to maintain MIS at the same level as G-SIs, they will need to ensure that personnel are in place to deal with MIS, resulting in a heavy cost in complying with ComFrame.





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	Q206		While depending on the frequency and the degree of responses required regarding MIS, if IAIGs are required to maintain MIS at the same level as G-SIIs, the cost of developing systems would amount to several billion Japanese yen. Additionally, it will be necessary to ensure that personnel are in place to develop the systems, resulting in a heavy cost in complying with ComFrame.
	Q207		Including the cost of ensuring that personnel are engaged in continuous verification and review of ongoing MIS, and of maintaining the systems, it would be quite costly to comply with ComFrame.
	Q209	Minimum benefit	While we agree that IAIGs should have in place a type of MIS, considering the balance between the accompanying costs and the merits, it is not practical to require all IAIGs to develop MIS in the same manner as G-SIIs.
CF 10.5a	Q222		As this question is for supervisors, we are not in a position to answer.
	Q223		As this question is for supervisors, we are not in a position to answer.
	Q224		As this question is for supervisors, we are not in a position to answer.
	Q225		As this question is for supervisors, we are not in a position to answer.
	Q226		As this question is for supervisors, we are not in a position to answer.
CF 10.5b	Q227		As this question is for supervisors, we are not in a position to answer.
	Q228		As this question is for supervisors, we are not in a position to answer.
	Q229		As this question is for supervisors, we are not in a position to answer.
	Q230		As this question is for supervisors, we are not in a position to answer.
	Q231		As this question is for supervisors, we are not in a position to answer.
	Q232		As this question is for supervisors, we are not in a position to answer.
CF 10.6a	Q245		As this question is for supervisors, we are not in a position to answer.
	Q246		As this question is for supervisors, we are not in a position to answer.
	Q247		As this question is for supervisors, we are not in a position to answer.
	Q248		As this question is for supervisors, we are not in a position to answer.



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	Q249		As this question is for supervisors, we are not in a position to answer.
CF 10.6b	Q254		As this question is for supervisors, we are not in a position to answer.
	Q255		As this question is for supervisors, we are not in a position to answer.
	Q256		As this question is for supervisors, we are not in a position to answer.
	Q257		As this question is for supervisors, we are not in a position to answer.
	Q258		As this question is for supervisors, we are not in a position to answer.
ICP 12.0.9	Q10		Whether an insurer is to be resolved should not be determined in a uniform manner based on the ICS or jurisdictional capital requirements. In order to prevent any arbitrage, it should be ensured that judgements made by the supervisor are reasonable and consistent.
ICP 12.0.10	Q11		The guidance should be revised to clarify that it does not intend to completely exclude bail-out by use of public funds.
ICP 12.2.2	Q21		As this guidance could be read to indicate that public funding used for the resolution of the insurer should always be recouped from the insurance sector, we suggest revising it as follows: "Resolution should seek to minimise reliance on public funding. In principle, efforts should be made to recoup any public funding used for the resolution of the insurer from the insurance sector."
CF 12.2b	Q23		In principle, the resolution of an IAIG should try not to rely on public ownership or bail-out by use of public funds.
	Q24	Partially	Japan's legal system may allow for a bail-out by using public funds.
	Q28	No benefit	As a last resort, there should be room for bail-out by use of public funds.
CF 12.2b.1	Q29		Please refer to our comment on Standard CF 12.2b (Q23).
ICP 12.3	Q30		It is redundant to require insurers to plan for contingencies even if they continue to be soundly managed. The purpose can be served if material risks are properly identified and assessed through insurers' ORSA and other measures in normal times.



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ICP 12.3.1	Q31		It is redundant to require insurers to plan for contingencies even if they continue to be soundly managed. The purpose can be served if material risks are properly identified and assessed through insurers' ORSA and other measures in normal times.
ICP 12.3.2	Q32		It is redundant to require insurers to plan for contingencies even if they continue to be soundly managed. The purpose can be served if material risks are properly identified and assessed through insurers' ORSA and other measures in normal times.
ICP 12.3.3	Q33		It is redundant to require insurers to plan for contingencies even if they continue to be soundly managed. The purpose can be served if material risks are properly identified and assessed through insurers' ORSA and other measures in normal times.
CF 12.3a	Q34		It is redundant to require development of resolution plans in normal times for all IAIGs except G-SIIs, because the systemic risk of such IAIGs is relatively small compared to that of G-SIIs. The scope should be limited to specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.
	Q35	No	Resolution plans are not currently being developed.
	Q36		If insurers were to bear the burden of developing a resolution plan, the cost would amount to several billion Japanese yen.
	Q37		If insurers were to bear the burden of developing a resolution plan, the cost would amount to several billion Japanese yen.
	Q38		With regard only to external costs, we expect to incur consultation fees and labour costs. However, we do not have an accurate estimate for the time being.
	Q39	Minimum benefit	



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CF 12.3b	Q44		It is redundant to require development of resolution plans in normal times for all IAIGs except G-SIIs, because systemic risk of such IAIGs is relatively small compared to that of G-SIIs. Development of a resolution plan should be required only under specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA.
	Q45	No	It is impractical to conduct resolvability assessments in normal times.
	Q46		If insurers are to bear the burden of developing a resolution plan, the annual costs would be several hundred million Japanese yen.
	Q47		If insurers are to bear the burden of developing a resolution plan, the annual costs would be several hundred million Japanese yen.
	Q48		If insurers are to bear the burden of developing a resolution plan, the annual costs would be several hundred million Japanese yen.
	Q49	Minimum benefit	From the perspective of risk management, we do not deny the benefits that development of resolution plans could bring. However, it will be redundant to require development of resolution plans for insurers that are soundly managed.
CF 12.3c	Q53		Resolution plans should be developed only under specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA. Therefore, a uniform requirement on development of MIS for all IAIGs is unnecessary.
	Q54	Partially	When our member companies find it necessary to have MIS as part of their ERM and risk management, they voluntarily develop MIS. However, this is not for resolution planning.
	Q55		For the time being, it is impossible to make an estimate.
	Q56		For the time being, it is impossible to make an estimate.
	Q57		For the time being, it is impossible to make an estimate.
	Q58	Minimum benefit	Resolution plans should be developed only under specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA. Therefore,



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			a uniform requirement on development of MIS for all IAIGs is unnecessary.
CF 12.3c.1	Q59		Resolution plans should be developed only under specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA. Therefore, a uniform requirement on development of MIS for all IAIGs is unnecessary.
CF 12.3c.2	Q60		Resolution plans should be developed only under specified conditions when concerns regarding financial soundness arise, for example, when an IAIG's ICS Ratio falls below a certain level, or if certain problems are found in the ORSA. Therefore, a uniform requirement on development of MIS for all IAIGs is unnecessary.
ICP 12.6.1	Q74		As we pointed out in our answer to Q10, whether an insurer is to be resolved should not be determined in a uniform manner based on the ICS or jurisdictional capital requirements. In order to prevent any arbitrage, it should be ensured that judgements made by the supervisor are reasonable and consistent.
CF 12.7a	Q92		As the listed matters are not always necessary for supervision of all IAIGs, these should be moved to a guidance level (as we see in ICP 12.7.4).
	Q93	Partially	
	Q97	No benefit	
ICP 12.9	Q105		How to set a priority on policyholders' claims is determined in consideration of policyholder protection schemes and other systems in place at the jurisdictional level. Therefore, this standard should be revised as follows: "Legislation provides an appropriate legal priority to policyholders' claims within the hierarchy of claims in liquidation, in accordance with the nature of policyholders' claims in each jurisdiction, etc."
CF 12.12a.1	Q120		This guidance could be read to indicate that the scope of the resolution powers of the resolution authority of a jurisdiction where an insurance legal entity within an IAIG, for which resolution actions are to be taken, is located could be extended to the Head of the IAIG and any intermediate holding company within the IAIG. However, in such cases, ambiguity exists as to whether the resolution powers of the resolution authority are enforceable. If it is possible to make these powers enforceable under ComFrame and jurisdictional regulations, the guidance should clarify the point. If not, the guidance



GiAJ comments on the IAIS consultation on revised ICPs and ComFrame material integrated with ICPs should be deleted. Furthermore, if this guidance is premised on international cooperation between resolution authorities, we suggest adding "through cooperation between relevant resolution authorities" after "where appropriate".

CF 12.12a.2	Q121		This guidance could be read to indicate that the scope of the resolution powers of the resolution authority of a jurisdiction where an insurance legal entity within an IAIG, for which resolution actions are to be taken, is located could be extended to the Head of the IAIG and any intermediate holding company within the IAIG. However, in such cases, ambiguity exists as to whether the resolution powers of the resolution authority are enforceable. If it is possible to make these powers enforceable under ComFrame and jurisdictional regulations, the guidance should clarify the point. If not, the guidance should be deleted. Furthermore, if this guidance is premised on international cooperation between resolution authorities, we suggest adding "through cooperation between relevant resolution authorities" after "where appropriate".