Paragraph	Comments
1	An Insurer's liquidity risk management should be implemented according to the nature of its business models and products, among other considerations. In addition, the method by which the necessary risk management is undertaken at a sufficient level to meet the objective of "mitigating systemic risk" will differ from insurer to insurer. As liquidity risk in traditional insurance is not closely associated with systemic risk, this AP is too detailed for insurers and insurance groups that mostly deal with traditional insurance products. We would like to request that the proportionality principle be applied appropriately (as described in paragraph 13 and ICP16.9.3) to the various measures stated in the AP, so that they will not be exorbitant and excessive.
20	The necessity of a contingency funding plan should be decided depending on the level of liquidity risk. For example, this could be reviewed by considering the results of liquidity stress testing.
21	The necessity and level of detail of the liquidity risk management report should be decided depending on the level of liquidity risk in line with the insurer's distinctive features of business (e.g. its asset portfolio, in-force contracts) and size.
22	In terms of ensuring the predictability of regulation in effect, it is advisable that supervisors show insurers, in advance, the key aspects of their viewpoints regarding intervention. This is directly related to the statement, "additional quantitative requirements should only be applied in appropriate circumstances and be subject to a transparent supervisory framework".
25	As the liquidity risk of traditional insurance business is limited, the proportionality principle should be applied to the necessity and the level of control of the insurer's Board of Directors.
26	As the liquidity risk of traditional insurance business is limited, the proportionality principle should be applied to the level of control of the insurer's Senior Management.
29	As insurers should individually decide which scenario to use depending on their risk level and size, the proportionality principle should be applied to each scenario choice.
30	We would like to confirm that assessment "at a group level" allows for the implementation level to vary according to materiality by considering each insurer's stress test results. For example, where hurricanes in the U.S. are risk scenarios for a certain subsidiary within a group, and it can be confirmed that their impact on the scenarios on insurers in other regions is relatively small, assessment of their impact on cash flow at the group level might be considered unnecessary.

Paragraph	Comments
31	Rather than increasing patterns indiscreetly, time horizons for stress scenarios of groups and insurers with low systemic risk should be narrowed down to within the necessary range. It is sufficient to set a time horizon that corresponds to stress events with peak risks.
32	Making overly conservative assumptions is unnecessary even in stress testing, and the utilization of borrowing via lines of credit should be allowed in scenarios where it is considered reasonable.
36	We do not think that all the elements described in paragraph 37 to 45 are necessary for uniform consideration. In addition, as the content of CF16.9. a.4 is similar to this paragraph in that it states that "The IAIG may consider", "should" should be replaced with "may" in this paragraph as well. Therefore, the sentence, "The following liquidity risk drivers should be considered when designing and assessing stresses:" should be revised as follows: "When designing and assessing stress tests, the following liquidity risk drivers, for example, may be considered depending on the materiality of each element:"
46	Based on the level of liquidity risk, the proportionality principle should be applied to the documentation of assets that an insurer includes in its portfolio.
47	Even though assets may lose value, as long as they are immediately convertible into cash, they should be included in the portfolio given the amount of loss. We propose revising "at little or no loss in value" to "generally at little or no loss in value", for example.
49	As for vi and viii, vanilla corporate debt securities and common equity shares issued by a financial institution, or any of its affiliated entities, should not be uniformly excluded because there could be cases where systemic risk such as banking does not emerge, and debt securities issued by these entities are still considered to be available. Insurers, in particular, do not have cross-holdings of lines of credit like other financial sectors such as banking, so they are not affected significantly in terms of systemic risk. Therefore, debt securities issued by insurers can be included in the insurer's liquidity portfolio. For example, imposing a haircut after inclusion in a portfolio, as stated in paragraph 55, could be a way.

Paragraph	Comments
52	Uniformly excluding instruments issued by financial institutions from an insurer's liquidity portfolio is inappropriate for the following reasons: - Vanilla corporate debt securities and common equity shares issued by a financial institution, or any of its affiliated entities, should not be uniformly excluded because there could be cases where systemic risks such as banking do not emerge, and debt securities issued by these entities are still considered to be available. Insurers, in particular, do not have cross-holdings of lines of credit like other financial sectors such as banking, so they are not affected significantly in terms of systemic risk. Therefore, debt securities issued by insurers can be included in the insurer's liquidity portfolio. -We are concerned that the wording of this paragraph may cause insurers to sell products issued by financial institutions and purchase those issued by entities other than financial institutions, and that this may lead to unintended effects on markets. For example, imposing a haircut after inclusion in a portfolio, as stated in paragraph 55, could be a way.
58	We would like to confirm that "short time horizons", i.e. the timeframe under which insurers should be aware of the risk of non-convertibility of foreign currencies, refers to a few days.
59	The proportionality principle should be applied to the level of detail of contingency funding plan documentation.
71	Depending on the nature of the risk and the size of the insurer, the proportionality principle should be applied to the necessity of demonstration through use testing.
83	In terms of examining costs and benefits and ensuring efficiency of data collection, re-collecting data that has already been collected for the ICS or for jurisdictional regulatory purposes should be avoided. Also, the above gist should be added to the wording of this paragraph.