

<p>Q1 Comment on draft definition of comparable outcomes</p>	<p>We understand that both ICS and AM results will be used as a trigger of supervisory action. However, we think that the expression “produce similar results ’ over time ‘ “ is unclear. We think this should be clarified when considering the criteria for the comparability assessment.</p> <p>With regard to what kind of situation envisaged by the phrase “similar results”, we understand that such situation can be interpreted as ICS and AM results being used on the same footing as a basis of determining the solvency of an insurance group. In other words, investors and rating agencies etc. believe that they can duly judge the solvency of an insurance group based on either result.</p>
<p>Q2 Comment on draft High-Level Principle 1</p>	<p>The intention behind the phrase “correlated over the business cycle, not short-term market fluctuations” is unclear. We think this should be clarified when considering the criteria for the comparability assessment.</p> <p>Specifically, we assume that this phrase refers to insurance liabilities, as market fluctuations of assets are immediately reflected on the capital and risk valuation even under the current capital regulation in the EU and the US etc. However, If the phrase “over the business cycle” may mean that the long-term insurance liabilities capture the market fluctuations over the course of realization of profits/losses until the maturity of contracts, then we think this is insufficient as one of the criteria to determine comparability.</p>
<p>Q4 Comment on draft High-Level Principle 3</p>	<p>We welcome this guiding principle stating that the AM could be more but not less prudent than the ICS.</p> <p>With regard to the situation assumed with the use of the term “prudent” in this principle, we understand that the quantitative calculation of the AM produces the same or lower results compared to the quantitative calculation of the ICS under various economic and financial market conditions, excluding temporary market stress.</p>
<p>Q6 Comment on draft High-Level Principle 5</p>	<p>We welcome this guiding principle referring to a representative sample of Volunteer Groups providing both ICS and AM data. The IAIS should invite a sufficient number of volunteer groups to provide both ICS and AM data to conduct objective and competent assessment of whether the AM provides comparable outcomes to the ICS.</p>
<p>Q7 Comment on draft High-Level Principle 6</p>	<p>With regard to reference to “the AM being similarly transparent” in terms of “public disclosure”, we understand that the AM will be subject to the same standards and guidance on disclosure applied to the ICS under ComFrame.</p>
<p>Q8 General comment</p>	<p>We welcome the progress in the discussion on ICS and AM comparability.</p>