No.	Questions	Y/N	Comments
1	Do you agree with the IAIS' general objective and contemplated usage for the liquidity metrics? If not, please explain your rationale.	No	We believe that the fact that the level of liquidity risk in the insurance sector is much lower than that of the banking sector should be fully taken into account and a materiality-based approach should be adopted. Regarding Q9-28, our response is based on the following points and the premise that the CPA is unnecessary. In assessing and mitigating systemic risk, it is crucial to assess risk from a cross-sectoral perspective, and the same applies to liquidity risk management. In particular, given that the level of liquidity risk in the insurance sector is much lower than that of the banking sector, a materiality-based (and proportionate) approach should be adopted. An inordinate increase in the number of data collection items without due consideration of the level of systemic risk could lead to an unintended and excessive constraint on the sound development of the insurance sector. Therefore, we ask that the IAIS considers a framework for data collection and policy measures that takes into account the differences in size and main activities of the banking and insurance sectors. Of the proposed approaches, we consider EA to have significance as an early indicator to understand the liquidity situation in the insurance sector in a simplified manner*. As mentioned above, considering the insurance sector's level of liquidity risk is low as a whole, we believe a materiality-based (and proportionate) approach can be taken. EA can be used to understand the liquidity situation of the sector, and in cases where a significant decline in a particular company's liquidity is detected based on EA, that company's liquidity can be examined in more detail. In addition, we believe it is excessive to require a detailed analysis based on the CPA when the sector is sufficiently liquid. *When introducing EA, using detailed internal data of individual insurance groups should be avoided. Instead, publicly disclosed information should be used to the extent possible. This would ensure evaluation objectivity and comparability as an early indicator and avoid burdening insurance companies unnecessarily. Furthermore, we do not believe that the CPA is a suitable method to precisely assess the liquidity of a company which liquidity is declining significantly. Since the factors that affect the liquidity of a company vary greatly from company to company, a detailed examination of the liquidity status of each insurance group should be conducted by the GWS of each jurisdiction, through for instance, analysis of each group's liquidity stress test results, based on the supervisory and regulatory framework of each jurisdiction which takes into account the Holistic Framework. Accordingly, we believe setting a certain calculation rule like the CPA would have little meaning in such analysis. Finally, due to the business model described below (1~3), insurance companies are considered to have significantly low liquidity risk, especially in the short term. Therefore, monitoring it in short-term such as 3-month time horizon is unnecessary, and the time horizon should be limited to 1-year. (1) Compared to the banking industry where loans are made to earn interest margins, insurance companies hold most of their assets in highly liquid assets (such as bonds) and maintain sufficient sources of funds to meet short-term funding needs. (2) Regarding claim payments related to catastrophes, which is a major funding need for non-life insurance companies, past cases in Japan show that payments are rarely completed within 3-months of the occurrence of a disaster and generally takes 6 to 12-months until completion of payments. (3) With regards to the needs for funds (mainly for life insurance companies) associated with the surrender of insurance policies, as opposed to the cancellation of deposit accounts, insurance policyholders' behavior to surrendering insurance policies is disincentivized by various factors, and therefore, it is difficult to assume a large surrender rate in a short period of time.
2	Do you want to propose an additional liquidity metric in addition to three metrics mentioned in this section? If yes, please describe a proposed metrics.	No	-

3	Do you know any public database with liquidity related data relevant for the development of liquidity metrics (either on a company level or on a jurisdictional level)?	No	-
4	Is there a need to develop supplementary liquidity metrics solely for separate accounts for both EA and CPA? If not, provide suggestions how the IAIS should monitor liquidity related to separate accounts (united-linked products) for both EA and CPA?	No	As for the separate accounts, which are used primarily to purchase and sell investment assets based on the instructions of policyholders, liquidity risk is limited. In addition, since assets that back minimum guarantees for investment of variable insurance are included in the general account, concerns regarding a shortfall in funds due to the payment of minimum guarantees are small. For the above reasons, we do not believe creating independent liquidity metrics for separate accounts to be meaningful.
5	Do you prefer to collect data and calculate liquidity metrics using fungible liquidity pools approach instead of the current enterprise approach for both EA and CPA? If yes, please provide ideas on approaches to the group-wide aggregation of results.	No	We do not agree with the liquidity pools approach, as we consider it is overly conservative to allow no fungibility of funds between pools. Under the enterprise approach, however, it would not be realistic to calculate cash flow projections on a group-wide basis by consolidating cash flow projections for all companies within the group. When using the enterprise approach, it should be based on materiality. For instance, it should be allowed to limit the scope to material subsidiaries or calculate with a certain amount of assumptions.
6	Does the current enterprise approach lead to significant shortcomings of the liquidity monitoring? If yes, describe these shortcomings and limitations.	No	Under the enterprise approach, it would be unrealistic to calculate cash flow projections on a group-wide basis by consolidating cash flow projections for all companies within the group. When using the enterprise approach, it should be based on materiality. For instance, it should be allowed to limit the scope to material subsidiaries or calculate with a certain amount of assumptions.
7	Do you agree with the proposal to include capital instruments in the CPA and EA metrics calculations as described in this section? If not, please provide rationale and alternative suggestions.	Yes	Regarding transactions related to increases/decreases in capital, such as capital increases and shareholder dividends, we believe the proposal to include capital instruments in the CPA and EA metrics calculations is appropriate. However, when including such transactions in either the CPA or EA, the expected figures for the next fiscal year, such as dividends paid out from the current fiscal year's profits, should be included, rather than the current fiscal year's actual results. Therefore, in EA's ILR, it is inappropriate to use actual past results for Rows 38.7a & b.
8	Do you prefer the detailed method for inclusion of capital instruments in the ILR calculation as described in this section? If not, please provide rationale.	No	Since the ILR should be used as a simple early indicator, we oppose the detailed method to capture the capital instruments in the ILR calculation.
9	Do you agree with the above described CPA to calculate the baseline cash flow projection, to apply the liquidity stress test and then to evaluate its impact and potential application of haircuts on assets? If not, please explain and provide suggestions.	No	We understand the concept of conducting multi-period analysis based on liquidity sources and cash flow projections of liquidity needs in response to liquidity stress tests at the holding company level. However, considering the level of liquidity risk of the insurance sector, a materiality-based approach should be taken. We believe implementation of the CPA should be avoided, as insurance sector is currently maintaining a sufficient liquidity level, and it would impose an excessive burden against its objectives. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
10	Do you agree with the proposal to perform the CPA at the holding company level? If not, please explain and provide suggestions.	No	We believe performing at the holding company level should be avoided as it would require an excessive burden despite the sector's sufficient liquidity level. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
11	Are there any other categories of cash inflows or outflows that should be added that were not	No	-

	captured by the cash flow statement, such as asset management activities?		
12	Do you agree with using haircuts from the ILR for assets to be applied if there is a cash flow deficit? If not, provide your explanation and suggestions.	No	Instead of fixed haircuts, we believe that prices should reflect increases /decreases depending on the scenario. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
13	Do you prefer to collect and analyse only high-level cash flow projections, ie. aggregate cash inflows and outflows of the three categories mentioned above? If yes, provide your clarification.	Yes	We agree with the proposal to make it a high-level cash flow projection, as this will allow more efficient calculation. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
14	Do you prefer to collect and analyse the underlying cash inflows and outflows as listed in Annex 2? Note that this option provides more accuracy at the cost of a higher reporting burden. If yes, explain your reasoning.	No	We do not prefer to collect and analyse the underlying cash inflows and outflows as listed in Annex 2 since we do not believe there is benefit beyond the additional burden. In addition, aliquidity model that utilizes cash flow projection including premiums written, which is necessary for the CPA, has not been widely introduced in Japan, and therefore, it is difficult to incorporating stress testing, market parameters, etc. into liquidity analysis. For such reasons, we do not agree with the introduction of the CPA itself as the difficulties exceed its benefits. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
15	Do you have any suggestions for changes or additions to the inflows and outflows as listed in Annex 2?	No	Regarding the question of cash flow (inflow and outflow), in cases where CF is prepared using the indirect method, cash flow figures cannot be provided. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
16	Do you agree with the proposed main types of cash outflows as specified in this section? If not, please provide clarification and suggestions for other outflows that should be considered.	-	-
17	Do you agree with the three proposed time horizons (30 days, 90 days and 1-year) for the CPA? If not, please explain and provide your suggestions.	No	Due to the business model described below (1~3), insurance companies are considered to have significantly low liquidity risk, especially in the short term. Therefore, monitoring it in short-term such as 3-month time horizon is unnecessary, and the time horizon should be limited to 1-year. (1) Compared to the banking industry where loans are made to earn interest margins, insurance companies hold most of their assets in highly liquid assets (such as bonds) and maintain sufficient sources of funds to meet short-term funding needs. (2) Regarding claim payments related to catastrophes, which is a major funding need for non-life insurance companies, past cases in Japan show that payments are rarely completed within 3-months of the occurrence of a disaster and generally takes 6 to 12-months until completion of payments. (3) With regards to the needs for funds (mainly for life insurance companies) associated with the surrender of insurance policies, as opposed to the cancellation of deposit accounts, insurance policyholders' behavior to surrendering insurance policies is disincentivized by various factors, and therefore, it is difficult to assume a large surrender rate in a short period of time. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
18	Do you think the investing section of the cash flow statement should be stressed in the LST? Would you add or subtract certain investing cash inflows or outflows as listed in Annex 2?	Yes	Japanese non-life insurance companies basically invest in securities, which are essentially highly liquid bonds. Therefore, in a liquidity stress test, a decline in assets under management would have a significant impact on liquidity. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.

19	Do you think the operating section of the cash flow statement should be stressed in the LST? Would you add or subtract certain operating cash inflows or outflows as listed in Annex 2?	Yes	-
20	Do you think the financing section of the cash flow statement should be stressed in the LST? Would you add or subtract certain financing cash inflows or outflows as listed in Annex 2?	Yes	We believe stressing the financing section of the cash flow statement in the LST is significant, as funding through commitments and bond repos play an important role in a liquidity stress event. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
21	Do you agree with the selected adverse liquidity stress scenario? If not, provide clarification.	No	While we agree with the financial crisis scenario, additional insurance scenarios should not be implemented as it would be overly conservative assumption. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
22	Do you want to propose a different liquidity stress scenario? If yes, provide its detailed parameters.	No	-
23	Do you agree with the proposed adverse GDP and market parameters? If not, provide clarification and suggestions.	No	It is practically difficult to forecast cash flow which incorporates GDP and market parameters. In addition, the basis for calculating the parameters should be disclosed. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
24	Do you agree that CPA adverse scenario should contain adverse parameters related to insurance liabilities? If yes, do you have any suggestions for adverse parameters for cash outflows related to insurance liabilities?	No	As the financial crisis scenario is currently assumed to be the unfavorable parameter, if an unfavorable parameter related to insurance liabilities is added to this, it would mean that the financial crisis and a natural disaster will occur simultaneously within the scenario. This would be a more severe scenario with a lower probability of occurrence. Furthermore, such scenario with events occurring simultaneously would not reflect the reality of insurance companies that diversify their risks. If unfavorable parameters for insurance liabilities are to be introduced, each parameter should be adjusted so that the scenario will not result in an excessively unfavorable scenario by taking into account the correlation between market parameters and insurance liability parameters. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
25	Do you want to add other variables and parameters into the adverse liquidity stress scenario? If yes, provide suggestions.	No	We do not want other variables and parameters to be added, as it is difficult to incorporate stress scenarios into liquidity analysis. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
26	Do you prefer to have several targeted stressed scenarios/projections (in comparison to the currently proposed one combined adverse scenario)?	No	We do not want other variables and parameters to be added, as it is difficult to incorporate stress scenarios into liquidity analysis. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
27	Do you believe the selected adverse liquidity scenario is relevant to the countries you operate in? If not, what would be the relevant stresses for the countries you operate in?	No	As this scenario was set by the FRB as a stress scenario for the US market, careful consideration is needed when applying it to other countries. For countries besides the US, supervisors should be able to modify the scenario to suit the current situation of country respective jurisdictions. As we commented on Q1, our response is based on the premise that the CPA is unnecessary.
28	Do you agree with the summary of benefits and limitations of the CPA? If not, please provide some clarification.	No	As we commented on Q1, we do not agree with the introduction of the CPA.

29	Do you agree with the consideration of differences in liquidity profiles of life insurers, non-life insurers and reinsurers in the ILR liquidity needs factors? If not, please explain and provide your suggestions.	Yes	Since liquidity profiles vary according to business categories and characteristics, we believe that these differences should be taken into account in the ILR.
30	Do you agree with the use of two time horizons for the EA: 1-year and 3-month time horizons? If not, please explain and provide your suggestions.	No	Although it is stated that 3-month time horizon will be a supplementary time horizon, since the short-term liquidity risk of insurance companies is low, we consider only 1-year time horizon to be appropriate.
31	Do you prefer to calculate 3-month time horizon similarly to the BCBS' LCR, ie. 3-month ILR liquidity sources (as defined in the Table 5) will be divided by net 3-month cash outflows (a difference between cash outflows and inflows from all operating, financing and funding activities as defined in the Chapter 2)? If not provide your comments.	No	As commented on Q17 and Q30, we consider only 1-year time horizon to be appropriate since the short-term liquidity risk for insurance companies is low.
32	Do you agree with the proposed approach to financials? If not, please explain and provide your suggestions.	Yes	We believe that it is appropriate to include exposure to financial institutions as liquidity sources.
33	Do you agree with the proposed approach to investment funds? If not, please explain and provide your suggestions.	Yes	We agree with the proposal that investment funds reflect the liquidity of the underlying asset and can be included in liquidity sources. In addition, although the difference between private-equity and hedge funds is discussed on the paper, the fact that neither of these are included in the liquidity sources needs to be reviewed in the future. The sentence "Based on that, the IAIS does not consider including hedge funds into the ILR liquidity sources" seems to be a mistake for "Based on that, the IAIS does not consider including hedge-funds, private-equity funds and other similar closed-end funds".
34	Do you agree with the proposed factors for sovereign/PSE/GSE debt instruments? If not, please explain and provide your suggestions.	No	Table 5 does not seem to match the description. In the description, GSE, PSE, and corporate bonds are eligible if they are rated BBB or higher, while in Table 5, only GSE securities rated A or higher are eligible. We have no objection to adding to liquidity if the bonds are rated BBB or higher.
35	Do you agree with the proposed factors for non-financial corporate debt instruments (including covered bonds)? If not, please explain and provide your suggestions.	No	We consider that the proposed factors are rather conservative compared to the criteria of global rating agencies. Setting factors depending on the rating in the same manner as sovereigns, may be an option.
36	Do you agree with the proposed factors for financial corporate debt instruments? If not, please explain and provide your suggestions.	No	We consider that proposed factors are rather conservative compared to the criteria of global rating agencies. Setting factors depending on the rating in the same manner as sovereigns, may be an option.
37	Do you agree with the proposed factors for common equity (both financials and non-financials)? If not, please explain and provide your suggestions.	No	Although we agree with the inclusion of factors for common equity, we would like to know the rationale for setting the factors (e.g., that other evaluation organizations use similar calculations and approaches).

38	Do you agree with the proposed factors for selected liquid investment funds? If not, please explain and provide your suggestions.	No	We consider that the factors for liquid ETFs, liquid mutual funds, and MMFs are low. Factors should be set to reflect the liquidity of the underlying asset (e.g., a figure equivalent to the haircut rate of the underlying asset). We would also like to know the rationale for setting the factors (e.g., that other evaluation organizations use similar calculations and approaches).
39	Do you agree with the proposed factors for non-life premiums? If not, please explain and provide your suggestions.	No	We agree with the proposed factor (setting 3-month time horizon at 20% as opposed to 85% for a 1-year time horizon). However, as commented to Public Consultation (PC) 2020 (Q7), for the sake of simplicity we consider it is appropriate to exclude insurance premiums assuming that CIF (such as insurance premiums) and COF (such as insurance claims and operating expenses) offset each other.
40	Do you agree with the proposed factors for certificates of deposit and undrawn committed lines? If not, please explain and provide your suggestions.	No	Since certificates of deposit are short-term financial instruments with liquidity similar to call loans, commercial paper (CP), and short-term sovereigns, we believe that the factor of 40%-50% is overly conservative. We believe it is appropriate to treat them in the same manner as cash and deposits. We also believe that the factor of 10-15% for undrawn committed lines is overly conservative.
41	Do you agree with the proposed factors differentiation between 3-month and 1-year time horizons? If not, please explain and provide your suggestions.	No	The rationale for the differentiation should be provided.
42	Do you think any additional relevant liquidity source should be considered in the ILR calculation? If yes, please explain and provide your suggestions.	No	-
43	Do you prefer to conduct a detailed recalibration of factors for surrender values based on historical surrender rates of participating insurers? Such a recalibration would be a substantial reporting burden.	No	Given that the policy reserves of non-life insurance companies are mainly accumulated in the general account and that the surrender values related to the reserve account is not considered to be material, we do not consider this to be necessary.
44	Do you agree with the proposed 3-month time horizon factors? If not, provide your explanation and suggestions.	No	As we commented to PC 2020, the 1-year risk factor used as the base is generally high, and both the 1-year and 3-month risk factors should be significantly lowered to match the actual situation of insurance liabilities. We recognize that the IAIS Resolution (no. 10) released in July states that "Answer/ comment is noted and potential alternatives to the surrender's factors will be considered in the project's Phase 2". <The risk factor for 1-year > (same as our comments to PC 2020) The risk factors are generally high, and it should be reduced significantly to match the actual risk regarding insurance liabilities. Since the likelihood of policyholder runs occurring are lowered by various factors as described in the document, we do not anticipate high surrender rates. For instance, when the economic penalty is Low (no economic penalty) and the time restraints to cancel is Low (less than 1 week), the factor for retail contracts is set at 50%. However, in Japan, there have been no cases where insurers faced such high surrender rates. The risk factor for bank deposits proposed in the document is set at 25% for retail deposits and 50% or 100% for commercial deposits, applying factors close to the upper limit of the risk factor for deposits in banking regulations. However, liquidity risk of insurance liabilities is considered to be lower than that of bank deposits, and therefore, in terms of consistency, the highest risk factor applicable to insurance liabilities should be lower than the lowest risk factor applicable to bank deposits.

			Specifically, it is proposed that the highest risk factor of insurance liabilities for individuals is 50% and that for corporations is 100%, but we consider that this should be lower than the lowest risk factor of retail/commercial deposits (25%/50%). Overestimating the liquidity risk of insurers' liabilities may also constrain management of insurers in providing stable finance to risk assets. From this perspective, the liquidity risk of insurance liabilities should be carefully assessed and significantly reduced from current levels to match the actual risk of insurance products. <The risk factor for 3-month time horizon> The risk factor for 3-month time horizon should be about 1/4 of the risk factor for 1-year time horizon. Based on the understanding that surrender risk in the insurance sector is lower than in the banking sector, there is no rationale for assuming a sharp increase in the surrender rate in the short term. Therefore, the surrender rate should be assumed to increase proportionally over time.
45	Do you agree with the proposed factors for non-life claims and expenses? If not, please explain and provide your suggestions.	No	Consideration of non-life insurance claims and expenses, which are likely to fluctuate, may lead to results that do not match the actual situation. Therefore, we support the method of assuming that CIF (such as premiums) and COF (such as claims and operating expenses) offset each other. As there are cases where a part of insurance payments and expenses due to catastrophic events is included in “claims and expenses,” if "catastrophe claim payments" (section 3.3.2.6) is to be incorporated separately from "claims and expenses", we believe it is necessary to deduct the amount of insurance payments and expenses due to catastrophic events in either "claims and expenses" or "catastrophe claim payments" to avoid double-counting.
46	Do you agree that life premiums, claims and expenses are currently not included in the ILR? If not, please provide clarification.	-	-
47	Do you agree with the proposed factors for reserving risk? If not, please explain and provide your suggestions.	Yes	-
48	Do you agree with the proposed factors for unearned premiums? If not, please explain and provide your suggestions.	No	While a certain percentage of unearned premiums is included in liquidity needs on the assumption that insurance policies will be cancelled in the future, given that the impact by cancellation refunds is small in non-life insurance, in which products are mainly 1-year policies, we do not agree with this calculation method. In addition, setting the same risk factors for 3-month and 1-year time horizon is unreasonable; risk factors for 3-months should be lowered.
49	Do you agree with the proposed approach for reinsurance recoveries? If not, please explain and provide your suggestions.	No	With regards to the factors based on actual figures at the year-end close, we would like to confirm that it considers reinsurance recoveries already incurred for paid claims. (There are exceptional cases where insurance companies do not have the right to claim reinsurance at the time of accumulating technical provision and IBNR reserves.) The factors set at 50% and 12.5% are high when assuming reinsurers with high credit ratings. Therefore, factors should be based on the rating and creditworthiness of reinsurers. Considering three to six months is the normal cycle for reinsurance recoveries, it is inappropriate to set the factor at 0% for amounts recovered during this period. A review of the period categories and factors should be considered.
50	Do you agree with the refined factors for catastrophe claim payments? If not, please explain and provide your suggestions.	No	In light of the purpose of the EA to identify trends in a simplified manner, we suggest that it would be better to use a standardized method, such as multiplying premiums by a certain risk factor as exposure, and calculate payments for catastrophes based on disclosed information, rather than using natural catastrophe risk figures calculated by each company's internal model. In addition, we would like to confirm whether it is possible to estimate the timing of reinsurance recoveries in an objective manner. If it is possible, we believe it should be set as a standard criteria (to eliminate arbitrariness).

			As there are cases where a part of insurance payments and expenses due to catastrophic events is included in “claims and expenses,” if "catastrophe claim payments" (section 3.3.2.6) is to be incorporated separately from "claims and expenses", we believe it is necessary to deduct the amount of insurance payments and expenses due to catastrophic events in either "claims and expenses" or "catastrophe claim payments" to avoid double-counting.
51	Do you prefer a standardized 1/250 PML scenario to be applied for catastrophe claim payments? If yes, provide your suggestions for such a scenario. The current proposal counts with 1/250 PML scenario calculated using insurers’ own projections and stress-testing.	Yes	In light of the purpose of the EA to identify trends in a simplified manner, we suggest that it would be better to use a standardized method, such as multiplying premiums by a certain risk factor as exposure, and calculate payments for catastrophes based on disclosed information, rather than using natural catastrophe risk figures calculated by each company's internal model. We would like an explanation as to why the 1/250 PML scenario was chosen instead of the 1/200 PML of ICS. Basically, we believe that the 1/200 PML scenario should be used in conjunction with other economic value-based risk management metrics. (Utilizing both 250 and 200 years may cause confusion for users.) As it is common for insurance companies to obtain reinsurance which covers multiple catastrophes, such as periodical profit and loss cover, we would like to confirm that the target of the scenario is for a particular disaster. When calculating reinsurance recoveries, in addition to the natural catastrophe excess of loss cover (ELC), it is also necessary to take into account reinsurance recoveries from both voluntary and proportional reinsurance. Regarding this point, we would like the IAIS to clarify the proposal.
52	Do you agree with the IAIS proposal to consider DGS in the ILR factors for bank deposits? Please provide your comments and suggestions.	-	-
53	Do you agree with the 3-month time horizon ILR factors for bank deposits? If not, provide your comments and suggestions.	-	-
54	Do you agree that there is currently no liquidity considered for the non-financial type of business that some insurance groups may conduct? If not, please provide your suggestions.	Yes	Given that any non-financial business undertaken by non-life insurance companies in Japan is not material, and that both their liquidity needs and sources are limited, we see no problem in exempting it from the scope of the ILR.
55	Do you agree with the inclusion of derivative assets into the ILR Liquidity Sources? If not, please explain and provide your clarification. If yes, provide your suggestions on factors for such derivative assets.	Yes	Derivative should be included in the asset side as well as the liability side, and the same factors utilized for liquid liabilities (Table 16) should be used.
56	Do you agree with the current IAIS proposal to include only cash collateral into the Eligible Cash Variation Margin? If not, provide your comments and suggestions.	No	We believe that highly liquid securities should be allowed to be included into the Eligible Cash Variation Margin.
57	Do you agree with the 3-month time horizon ILR treatment of and factors for derivatives? If not, provide your comments and suggestions.	No	The basis for setting the factors is unclear. Moreover, we believe 3-month time horizon is unnecessary.

58	Do you agree with the floor as proposed by the IAIS to protect a level-playing field for all insurers? If not, provide your comments and suggestions.	-	-
59	Do you agree with the proposed approach to securities lending transactions and repurchase agreements including the factors? If not, provide your comments and suggestions.	Yes	We would like to know the basis for the factors. In addition, as commented on PC 2020, we believe that the framework should be on a net basis (excluding encumbered assets and measuring the related liquidity needs on a net basis) rather than on a currently proposed gross basis (including certain encumbered assets as liquidity sources). This can contribute to the mitigation of systemic risk within the entire financial system by providing incentives for insurers to make the shift to funding with collateral. We recognize that in the IAIS Resolution (no. 9) published in July, the IAIS responded that "Answer/comment is noted and will be considered and resolved in the project's Phase 2". <Explanation> ・As far as Annex 2 is concerned, we understand the ILR of insurers is expected to be above 100%. However, if the ILR is 100% or above, the more ILR will raise collateral, so the ILR will decrease towards 100%. (e.g., if ILR = 200/100 = 200%, increasing funding with collateral by 100 yields makes ILS = 300/200 = 150%). Since reserved assets are included as a liquidity source, results are similar even if financed without collateral. ・On the other hand, when measured on a net basis, the ILR basically does not decrease even if funding with collateral is increased, but when raising funding without collateral, the ILR decreases toward 100% as the amount of funding without collateral is increased because the funds raised are included in liquidity sources while also included in liquidity needs as liabilities. ・As described above, it is possible to prevent a decline in ILR in secured transactions by measuring on a net basis, and insurers would have an incentive to make the shift to funding with collateral. We believe that this will lead to the mitigation of systemic risk in the entire financial system.
60	Do you agree with the 3-month time horizon ILR factors for other funding liabilities and potential liquidity needs? If not, provide your comments and suggestions.	No	As we commented on Q17, insurance companies' liquidity risk is low, especially in the short term. Therefore, time horizon of 3-months is unnecessary and should be limited to 1-year. In addition, the IIM specifications for Row 33.F.1-33.F.3 requires submitting the liquidity needs depending on the rating. We believe the rating settings are too granular.
61	Do you agree with the proposed factors for operational and cyber risk? If not, please explain and suggest an alternative treatment.	Yes	For simplification purposes, we think it is appropriate for the level to be consistent with regulatory capital requirements.
62	Did the IAIS omit any other material type of insurance, non-insurance or operational liquidity needs that should be considered in the ILR calculation? If yes, provide your suggestions.	-	-
63	Do you agree with the description of aspects of other liquidity metrics provided in Section 4?	Yes	As stated in 1.1 and considering the limitations described, we believe it is inappropriate to utilize the indicator as a regulatory requirement. It should instead be used by regulators as a simple early risk indicator.
64	Do you want to propose any other liquidity metric for liquidity risk monitoring that is not mentioned in sections 2, 3 and 4 of this document? If yes, please elaborate on its calculation and data requirements.	No	-

65	Do you prefer a set of liquidity metrics for liquidity risk monitoring purposes? If not, provide clarification.	No	We believe that it is worthwhile to develop simplified liquidity metrics for the whole insurance sector, and in this sense, we agree with the proposal. However, we disagree with the proposal for 3-month time horizon to monitor liquidity risks in the EA because insurers have low short-term liquidity risks as stated in our comments to PC2020 . In addition, a liquidity model that utilizes cash flow projection including premiums written, which is necessary for the CPA, is not widely introduced in Japan, and therefore, it is difficult to incorporating stress testing, market parameters, etc. into liquidity analysis. For such reasons, we do not agree with the introduction of the CPA itself as the difficulties of exceed its benefits. In using liquidity metrics, using detailed internal data of individual insurance groups should be avoided, and publicly disclosed information should be used as much as possible, as stated in our comments on PC2020. We believe that this will ensure evaluation objectivity while avoiding unnecessary burden on insurance companies.
66	Do you prefer a single liquidity metric (eg. ILR or CPA metrics) for liquidity risk monitoring purposes? If not, provide clarification.	Yes	As commented on Q65, we believe that it is worthwhile developing a simple liquidity metric for the insurance sector as a whole. The idea of using individual companies' detailed internal data should be avoided, and we prefer the implementation of EA (for 1-year only) as a single liquidity metric, which utilizes information disclosed by individual companies to the extent possible.
67	General comments on the Public Consultation Document on the Development of Liquidity Metrics: Phase 2	-	-