

No.	Comments
1	We agree with the idea of improving comparability across jurisdictions by correcting discrepancies arising from differences in accounting treatment. For this purpose, we understand that the Level 3 Assets indicator have been revised to include rows 30.4 and 30.5.1. However, there appears to be a lack of consistency in the aggregation of amounts under different accounting standards, such as fair value, acquisition costs, or amortized costs. While some consistency would be desirable from an accuracy perspective, unification is difficult due to differences in accounting standards across jurisdictions and among insurers. Therefore, it is important to note the difficulty of simply comparing the valuation amounts of Level 3 assets resulting from the amendment.
2	It should be noted that differences in accounting standards across jurisdictions can result in large discrepancies in the valuation amounts of Level 3 assets. For example, unlisted equity holdings are valued at acquisition cost under Japanese accounting standards and at fair value under IFRS, which could lead to differences in results. Therefore, we believe careful consideration should be given when establishing definitions.
3	Regarding Row 30.4 and 30.5, when fair value assessment is required, it is assumed that some insurers may have difficulty in making such valuations, or may require additional time to make calculations. Therefore, we would appreciate your understanding and agreement that this can be handled on a best-effort basis, such as allowing for simplified methods, or substitutions at acquisition cost.
4	When establishing evaluation items and clarifying data requirements, we would appreciate it if careful consideration could be given to avoid excessive workload increases for insurers.
5	We have no objection to adjusting scores based on asset liquidation indicators and using ILR as a measure of liquidity risk. However, since the score may vary significantly depending on the setting of thresholds and multipliers, we would appreciate it if careful consideration could be given to these settings in terms of risk assessment.
6	Since specific figures and the basis for setting them have not yet been provided, we find it difficult at this time to comment on the appropriateness of the Liquidity Ratio Threshold (LRT). When setting up the LRT in the future, we would appreciate it if reasonable grounds could be provided. In addition, as the setting of thresholds can significantly affect the reflection of asset liquidation indicators, careful design is desirable.
7	Since specific figures and the basis for setting them have not yet been provided, we find it difficult at this time to comment on the appropriate size of haircuts and multiplier. When setting up the Liquidity Risk Adjustment (LRA) in the future, we would appreciate it if reasonable grounds could be provided. In addition, as the setting of multiplier and haircuts can significantly affect the reflection of asset liquidation indicators, careful consideration is desirable.
8	As it will help clarify evaluation items and reduce the reporting burden, we agree with the direction of simplification.
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11	In the case of the IFA indicator, the aggregation of derivative liabilities of financial institutions has been simplified. However, a similar approach has not been

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	implemented regarding the IFL indicator. We would appreciate it if the IAIS could elucidate the reasoning behind this distinction. Furthermore, if this item is aggregated, it is necessary to aggregate derivatives with financial institutions as counterparties, and we believe that the current proposal will not lead to substantial simplification.
13	Under the current calculation method, positions with unrealized gains on derivative contracts are calculated as the IFA, and positions with unrealized losses on derivative contracts are calculated as the IFL. However, we believe that consolidating both on a net basis could be an alternative option to reduce the reporting burden.
18	We agree with this proposal. However, we believe that it is necessary to establish reasonable selection criteria for the inflation rate, taking into full consideration that the inflation rate may reflect the background and characteristics that each country or region has.
19	We agree with the proposed amendment to strengthen the regional balance and diversity in the Insurer Pool. However, whether or not to include insurers with total assets exceeding USD 55 billion in the Insurer Pool should be considered from a comprehensive perspective, considering the characteristics of the respective insurers and their future growth potential.
21	<p>Since continuous analysis is necessary to properly identify and assess systemic risk, we agree with the ongoing reviews, and improvement of the IIM assessment methodology and the ancillary indicators. At the same time, we would like to ensure the principle of proportionality at the point of implementation. In addition, as it would generally be overly burdensome for insurers to create new data that they do not hold, we would like to ask for your understanding and agreement to such data being handled and submitted on a best-effort basis.</p> <p>In implementing the current GME, there are many aspects that are difficult to determine from the specifications and workshops alone. We recognize that the IAIS has accumulated expertise in the GME, which has been conducted six times so far, and we look forward to sharing key Q&amp;As from each jurisdiction with the insurer pool.</p>
22	At last year's GIMAR, it was noted that the characteristics of systemic risk within the insurance sector differ greatly depending on the type of business, such as non-life, life, and life/non-life combined. Therefore, in analyzing the results of the GME evaluations in GIMAR, PIRs, etc., it is expected that the risk characteristics of each type of life and non-life insurance business will be clarified and compared more clearly.