Questions	Comments
1	While we understand that the purpose of this Issues Paper is to identify regulatory and supervisory challenges and issues by explaining practices and examples in each jurisdiction, it is important that each jurisdiction respond in a manner that takes into account its own circumstances and characteristics, without being bound by the examples cited in this paper.
2	It should be clarified whether the term "claim ratios" mentioned in the text refers to the same concept as "loss ratios", which are commonly used in the non-life insurance industry, for example. (The same applies to Sections 2, 3, 5, 6, etc.)
5	Paragraph 4: The text states that "One contributor to low trust is insurance products offering low or limited value for money". While we do not dispute this point, when measuring the ' value for money of insurance products', it is necessary to conduct an evaluation based on a more rational, objective, and long-term perspective, and this requires careful consideration. Furthermore, since the term 'low value' is ambiguous, we would like additional clarification on what specific conditions are being referred to and from whose perspective this is being assessed. Paragraph 11: In the section stating, "insurers and takaful operators are also expected to consider any extenuating circumstances faced by these policyholders and offer tailored assistance when needed.", it is unclear what exactly the term 'tailored assistance' refers to. As it tends to evoke images of financial or material assistance, or special preferential treatment, which could be misleading, we propose revising the text as follows: "insurers and takaful operators are also expected to consider any extenuating circumstances faced by these policyholders when needed." In addition, regarding the statement as noted above, we consider that providing support to vulnerable consumers is a role required not only of insurers, but also of the public sector, especially. As such, we suggest adding this point to the statement.
6	Paragraph 22: Regarding the last two sentences cited from the BETA study, the current wording does not clearly establish a causal relationship and could be misleading. Therefore, the text should be revised to directly quote the original BETA survey: "Although the research found no evidence to suggest that the claims ratio helped people recognise or reject low-value add-on insurance, since it may inadvertently influence people towards purchasing low-value insurance, further research into the most effective display of the claims ratio is warranted." Paragraph 24: While it asserts that "…they ended up with expensive but low-value coverage", the points listed under "challenges these consumers faced" contain speculation (such as the use of "likely" in the second bullet point), the facts are unclear, which could lead to a misconception. Therefore, we

	request that the criteria to determine "low-value" be clarified, and examples with a clear causal relationship be provided. Related to this, regarding the content of Note 14, the information provided is insufficient to objectively assess individual customer circumstances, or to determine whether the insurance premiums were at an appropriate level commensurate with the risk. Presenting examples that suggest, based on insufficient information, that such payments are uniformly wasteful raises concerns that this could be misleading. Therefore, we request that this section be deleted or that appropriate examples be provided. Paragraph 25: The phrase "it may be generally advantageous to shop around and price compare" appears to focus solely on the apparent cost of premiums and does not take into account whether the policy terms are appropriate for the customer. Since it is considered inappropriate to make a judgment based solely on premiums, we propose deleting this sentence. Paragraph 27: Regarding the statement that "exclusions are often communicated in ways that are difficult for the average consumer to comprehend", since the actual situation may vary by jurisdiction, we propose the following revision to that statement: "…yet in some instances, exclusions are communicated in ways that are difficult for the average consumer to comprehend".
7	In addition to various supervisory approaches aimed at addressing value, the 'advisory role of insurance intermediaries' plays a key role in bridging the information gap with consumers. Therefore, it is also useful to consider an approach that leverages the advisory capabilities of sales channels to promote consumer understanding.
15	Paragraph 46: It should be explicitly stated in the body that the example is from EIOPA. Paragraph 48: Regarding the statement "…the prices of bundled insurance policies may lead consumers to make purchasing decisions based merely on price rather than on the coverage of their respective policies.", it appears more accurate to say the following: "…the prices of bundled insurance policies may lead consumers to make purchasing decisions based merely on price without understanding the coverage of their respective policies."
17	Paragraph 55: It is unclear why insurance companies may offer a lump sum cash settlement instead of arranging repairs or replacements. In some jurisdictions, it is common practice for insurance companies not to arrange repairs or replacements, but rather to set the insurance amount within the limits of the insured value at the time of contract, assess the amount of damage in the event of an accident, and pay the insurance proceeds within the limits of both the insured value and the insurance amount. It would be preferable to clarify these differences in products (e.g., "In the case of products which are usually offered with lump sum cash settlements") and explain the complex decisions customers are required to make.

	Paragraph 61: Regarding the impact of introducing portability on both insurance companies and consumers, the Issues paper does not provide sufficient analysis to definitively state that it 'could have material implications'. Therefore, we propose deleting the last sentence. Alternatively, if the statement is to be retained, we request adding specific evidence and analysis to support its validity.
20	Paragraph 67: While it only emphasizes the benefits of parametric insurance, given that both parametric insurance and traditional indemnity-based insurance have their own roles and benefits, we suggest explaining both.
21	Paragraph 68: While ensuring a stable supply of products is the responsibility of insurance companies, mid-term adjustments potentially cause serious problems by failing to uphold the contract terms originally promised to customers at the outset of the contract. Therefore, mid-term adjustments, such as the Covid-19 example cited in Paragraph 69, should not be presented as a best practice for product flexibility.
25	Paragraph 73: While it is stated that evidence of a lack of value may be observed through low ratios of claims payments relative to the sum of premiums paid, a low ratio does not necessarily constitute evidence of a lack of product value. Therefore, careful and thorough consideration is required from the perspective of product characteristics. Furthermore, in the underwriting of tail risks such as natural disasters, as well as new risks and ultra-long-term risks, the ratio of claims paid may be low depending on the observation period. As such, it is necessary to take into account the characteristics of the product and the business. Paragraph 73: While we do not dispute the cases cited as examples, given that there are insurance lines with unstable loss ratios—particularly those involving natural disasters—we request that appropriate notes be included in the report to prevent the misconception that 'a consistently low loss ratio equals inappropriate premium rate setting'.
28	Paragraph 76: We suggest adding a point at the beginning of the text indicating that "the costs and fees do not align with the content of the insurance products or services". Additionally, while it states that "consistently high costs and/or consistently high commissions can be an indication of low value", we believe that high costs do not necessarily equate to low value. Rather, it depends on the balance with service quality.