

IAIS Consultations

Print view of your comments on "ICP 6 (Change of Control and Portfolio Transfers)" - Date: 28.08.2018, Time: 10:26

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Treat my comments as confidential	No

	Question
Answer	<p>Q1 General Comment on ICP 6</p> <p>GFIA welcomes the opportunity to comment on this revised ICP. GFIA has assumed that replacing the word "approval" with "decision" indicates that supervisors may decide that in particular cases – e.g. due to proportionality considerations – an approval/rejection over a change in control or portfolio transfer (after the respective notification and assessment) may not be necessary. The clarification of this flexibility in ICP 6 is appreciated.</p>
Answer	<p>Q2 Comment on Introductory Guidance ICP 6.0.1</p>
Answer	<p>Q3 Comment on Introductory Guidance ICP 6.0.2</p>
Answer	<p>Q4 Comment on Introductory Guidance ICP 6.0.3</p> <p>GFIA fully supports and highly appreciates the specific introduction of the principle of proportionality here and throughout the guidance added to ICP 6. The examples listed for scenarios that may warrant a different approach are accurate and could be extended to include cross-border portfolio transfers (vs portfolio transfers between entities supervised by the same supervisor).</p>
Answer	<p>Q5 Comment on Introductory Guidance ICP 6.0.4</p>
Answer	<p>Q6 Comment on Standard ICP 6.1</p> <p>It is noted that the definition of control is explicitly left to national jurisdictions under the proposed new ICP 6.1, with some minimum criteria to be considered under 6.1.1.</p>
Answer	<p>Q7 Comment on Guidance ICP 6.1.1</p>

	Q8 Comment on Guidance ICP 6.1.2
Answer	
	Q9 Comment on Guidance ICP 6.1.3
Answer	
	Q10 Comment on Standard ICP 6.2
Answer	
	Q11 Comment on Guidance ICP 6.2.1
Answer	
	Q12 Comment on Guidance ICP 6.2.2
Answer	A 5% threshold triggering notification requirements appears to be lower than the standards established in many jurisdictions. To GFIA's understanding, the threshold would usually start at 10% to avoid supervisors having to deal with a significant amount of notifications about acquisitions that may not be relevant to achieve sufficient oversight.
	Q13 Comment on Guidance ICP 6.2.3
Answer	
	Q14 Comment on Guidance ICP 6.2.4
Answer	
	Q15 Comment on Guidance ICP 6.2.5
Answer	
	Q16 Comment on Guidance ICP 6.2.6
Answer	GFIA supports the provision relating to proportionality.
	Q17 Comment on Guidance ICP 6.2.7
Answer	
	Q18 Comment on Guidance ICP 6.2.8
Answer	Suitability should be objectively and narrowly defined. In some jurisdictions, it is essentially limited to proper rather than fit and proper.
	Q19 Comment on Guidance ICP 6.2.9
Answer	GFIA is concerned about the subjective nature of the grounds for denial of change of control. For example, the mere fact that some supervisors may not have the ability to supervise a complex organization (while others might) should not be a ground for denial, especially if it is in the interest of policyholders.
	Q20 Comment on Guidance ICP 6.2.10

Answer	
	Q21 Comment on Standard ICP 6.3
Answer	
	Q22 Comment on Guidance ICP 6.3.1
Answer	
	Q23 Comment on Guidance ICP 6.3.2
Answer	
	Q24 Comment on Guidance ICP 6.3.3
Answer	
	Q25 Comment on Standard ICP 6.4
Answer	The assumption should be that a transfer is acceptable, unless certain conditions exist, such as it is not in the interests of policyholders.
	Q26 Comment on Guidance ICP 6.4.1
Answer	This paragraph is overly broad. For example, while an insurer should not be able to unilaterally change the terms of coverage under a contract in mid-term, it does have that right at renewal, regardless of cause, and the policyholder has the right to renew or not to renew.
	Q27 Comment on Guidance ICP 6.4.2
Answer	<p>In most cases, portfolio transfers are subject to national contract law allowing for such changes as well as supervisory approval. Further restrictions by legislation do therefore appear not to be necessary and the sentence should not encourage such.</p> <p>The following sentence should be clarified:</p> <p>“In order to safeguard the financial condition of the insurers involved and to protect the interests of policyholders, legislation should restrict the ability of insurers to transfer their policy liabilities.”</p> <p>In the last sentence of this Guidance, it appears that IAIS considers the transfer of a single policy should suffice to trigger a full supervisory approval process. GFIA questions whether this would be efficient.</p>
	Q28 Comment on definition of Control
Answer	