

IAIS Consultations

Print view of your comments on "Consultation on ICPs 3 and 25 and ComFrame material integrated with ICP 25 (Public version)" - Date: 01.06.2017, Time: 12:39

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Question	
	Q1 General Comment on ICP 3
Answer	<p>The consultation document rightfully recognizes that the protection of information is important to insurers and supervisors. However, our main concern with ComFrame integrated with ICP3 is that the provisions relating to information sharing and confidentiality should provide much stronger protection of confidential information.</p> <p>Before information is shared with other financial authorities, the entity or enterprise whose information is being shared should be notified of the request, the reasons for the request, and contact details of the requesting authority.</p> <p>For supervisory authorities that hold confidential information of companies they supervise, GFIA believes these supervisors have an obligation to protect that information and to resist unnecessary access by other authorities. If supervisors become subject to legal proceedings to gain access to the confidential information, the entity or enterprise whose information is being sought should be notified as soon as possible about the proceedings, to allow the entity or enterprise to also take action to protect the information.</p>
	Q2 Comment on Standard ICP 3.1
Answer	
	Q3 Comment on Guidance ICP 3.1.1
Answer	<p>GFIA has a number of concerns regarding the scope of supervisory information:</p> <ul style="list-style-type: none">o The 6th bullet point, requiring information on individuals involved or suspected of being involved, in criminal activities is likely to be broader in scope than the laws of the local jurisdiction require. As a general matter, the ICP and CF guidance should respect local law, rather than attempt to re-write it. The phrase "suspected of being involved" is also overly broad and vague. It appears to apply to any and all individuals within an insurer and could create due process issues. Furthermore, the criminal activity contemplated by this requirement should be narrow in scope and limited to core crimes.o We question whether information on prospective strategy, business activities and business models should be shared upon request. Insurers operate in a competitive environment and have legitimate business reasons for keeping certain information secret. Unnecessary disclosure, even to supervisors, of sensitive, competitive information can cause irreparable harm. IAIS should give further consideration to including information about prospective and recent acquisitions, disposals of insurance business, and material, undisclosed insider-trading information.o The request for specific information requested and gathered from a regulated entity,

including relevant customer transactional information may raise privacy concerns (9th bullet point).

o We would not be supportive of allowing a local supervisor of a subsidiary insurer to request information about another insurer that is based in another jurisdiction without a specifically relevant reason.

Q4 Comment on Guidance ICP 3.1.2

Answer

Before sharing confidential information, GFIA believes that the supervisory authorities should notify the entity or enterprise concerned, the motives of the sharing of information, and provide the contact details of the supervisors/authorities that have requested the information.

Relevant supervisors and authorities with whom information is to be shared should only include supervisors and authorities that fall within the scope of IAIS Principles and Standards.

It is unclear why law enforcement agencies are included, as they will have their own information gathering powers. They should be removed from this list.

Q5 Comment on Standard ICP 3.2

Answer

Q6 Comment on Guidance ICP 3.2.1

Answer

Regardless of form, there should be a confidentiality agreement based upon a strict confidentiality regime that applies to all forms of communication. In all cases, the requested supervisor should require, as a prerequisite to information sharing, the confidential treatment of the information shared. Existence of an MOU among all parties who have access to an insurer's confidential information is critical and a prerequisite to the sharing of any such information.

Q7 Comment on Guidance ICP 3.2.2

Answer

Q8 Comment on Guidance ICP 3.2.3

Answer

Q9 Comment on Guidance ICP 3.2.4

Answer

Q10 Comment on Guidance ICP 3.2.5

Answer

The first sentence of this paragraph, "Supervisors are responsible for ensuring the safe handling of confidential information," should not be limited to the sharing of information within the supervisory college, but any sharing of information more generally.

Q11 Comment on Guidance ICP 3.2.6

Answer

Q12 Comment on Standard ICP 3.3

Answer

Q13 Comment on Guidance ICP 3.3.1

Answer

Q14 Comment on Guidance ICP 3.3.2

Answer

Q15 Comment on Guidance ICP 3.3.3

Answer

Q16 Comment on Standard ICP 3.4

Answer

Q17 Comment on Guidance ICP 3.4.1

Answer

Q18 Comment on Guidance ICP 3.4.2

Answer

In addition to consideration of whether the request is subject to a coordination agreement (3rd bullet point), the supervisor should also give consideration to the nature and extent of any confidentiality agreement in place.

Q19 Comment on Guidance ICP 3.4.3

Answer

The language is too open-ended, given that an “emergency situation” is undefined. Thus, the guidance should provide some specificity about the authorities, to whom information may be released without a written request. Consistent with the language in IAIS’ MMoU, we suggest adding language to permit oral requests in an emergency from “other relevant domestic financial sector bodies, such as central banks, law enforcement agencies, and relevant courts” (see Annex B of the IAIS MMoU).

In addition, there should always be an evidentiary trail of the request, regardless of the mode of communication. For example, an oral request can be recorded and documented via email. The coordination agreement should contemplate the different modes by which information may be requested.

Q20 Comment on Guidance ICP 3.4.4

Answer

This paragraph allows the requested supervisor to obtain information from an insurer where it receives a request for confidential information. We agree with this suggestion insofar as it reduces the burden on the insurer to comply with information requests, and improves coordination between an involved supervisor and a group-wide supervisor. However, the information must be within the requested supervisor’s powers to obtain.

Q21 Comment on Guidance ICP 3.4.5

Answer

Q22 Comment on Guidance ICP 3.4.6

Answer

Q23 Comment on Standard ICP 3.5

Answer

Q24 Comment on Guidance ICP 3.5.1

Answer

Q25 Comment on Guidance ICP 3.5.2

Answer

We agree that supervisors and authorities should make requests of the requested supervisor rather than of the requesting supervisor. In the first sentence, the requesting supervisor should first obtain agreement with the requested supervisor before passing on the requested information. Thus, the last clause of the first sentence should be deleted (i.e. "to another relevant supervisor or authority").

Q26 Comment on Guidance ICP 3.5.3

Answer

Q27 Comment on Guidance ICP 3.5.4

Answer

Q28 Comment on Standard ICP 3.6

Answer

Q29 Comment on Guidance ICP 3.6.1

Answer

Q30 General Comment on ICP 25

Answer

GFIA supports efforts to improve supervisory cooperation and coordination. The benefits of cooperation and coordination are many, and include timely exchange of critical information, better understanding of insurance groups, efficient use of resources, and more effective supervisory colleges.

Given the importance of cooperation and coordination for supervisors and insurers, we believe this ICP needs further development, to strengthen the requirements therein. This ICP should provide strong guidance on how to cooperate and coordinate when establishing a supervisory college, for selecting a group-wide supervisor, and for evaluating and recognizing each other's regulatory regime.

Q31 General Comment on ComFrame material in ICP 25

Answer

Q32 Comment on Introductory Guidance ICP 25.0.1

Answer

Q33 Comment on Introductory Guidance ICP 25.0.2

Answer

Q33 Comment on Introductory Guidance ICP 25.0.2

Answer

Q33 Comment on Introductory Guidance ICP 25.0.2

Answer

Q34 Comment on Introductory Guidance ICP 25.0.3

Answer

Q35 Comment on Introductory Guidance ICP 25.0.4

Answer

Q36 Comment on Introductory Guidance ICP 25.0.5

Answer

This section should recognize the likely complexities and conflicts associated with undertaking such an assessment. This provision creates a potentially unmanageable situation and could result in greater challenges within the group supervisory process than it merits.

Q37 Comment on Introductory Guidance ICP 25.0.6

Answer

Q38 Comment on Introductory Guidance ICP 25.0.7

Answer

Q39 Comment on Introductory Guidance ICP 25.0.8

Answer

Q40 Comment on Standard ICP 25.1

Answer

Q41 Comment on Guidance ICP 25.1.1

Answer

Q42 Comment on Guidance ICP 25.1.2

Answer

Q43 Comment on Guidance CF25.1a.1

Answer

Q44 Comment on Standard ICP 25.2

Answer

Q45 Comment on Guidance ICP 25.2.1

Answer

Q46 Comment on Guidance ICP 25.2.2

Answer

Q47 Comment on Guidance ICP 25.2.3

Answer

Q48 Comment on Guidance ICP 25.2.4

Answer	
	Q49 Comment on Guidance ICP 25.2.5
Answer	
	Q50 Comment on Guidance ICP 25.2.6
Answer	
	Q51 Comment on Standard ICP 25.3
Answer	
	Q52 Comment on Guidance ICP 25.3.1
Answer	
	Q53 Comment on Guidance ICP 25.3.2
Answer	GFIA does not agree with the extent of the information sharing set out in this guidance. The information to be shared should be determined on a case-by-case basis, and information sharing between involved supervisors should relate to material or significant matters, e.g. the transfer of material or significant risks to and from non-regulated entities (11th bullet point).
	Q54 Comment on Guidance ICP 25.3.3
Answer	
	Q55 Comment on Standard ICP 25.4
Answer	
	Q56 Comment on Guidance ICP 25.4.1
Answer	GFIA welcomes the reference to ICP 3 in this Guidance. ICP 3 and its confidentiality requirements should be given more prominence in ICP 25.
	Q57 Comment on Guidance ICP 25.4.2
Answer	When it comes to establishing suitable coordination arrangements, there should be consensus between involved supervisors as to the most appropriate form of cooperation and coordination arrangements going forward if cooperation and coordination is to be achieved. We suggest removing the requirement to simply seek a consensus. We also suggest clarifying whether the term "consensus" requires complete unanimity.
	Q58 Comment on Standard ICP 25.5
Answer	
	Q59 Comment on Guidance ICP 25.5.1
Answer	
	Q60 Comment on Guidance ICP 25.5.2
Answer	

Q61 Comment on Standard ICP 25.6

Answer

Q62 Comment on Guidance ICP 25.6.1

Answer

Q63 Comment on Guidance ICP 25.6.2

Answer

Q64 Comment on Guidance ICP 25.6.3

Answer

When deciding the participants of a supervisory college, GFIA believes the group-wide supervisor should have the flexibility to include the supervisor of a non-insurance entity that is part of the group that entity is material to the IAIG.

Q65 Comment on Guidance ICP 25.6.4

Answer

The 4th bullet point – “the role of the supervisory college and its relevance to the particular insurance legal entity” – should be clarified.

Q66 Comment on Guidance ICP 25.6.5

Answer

Q67 Comment on Guidance ICP 25.6.6

Answer

Q68 Comment on Guidance ICP 25.6.7

Answer

Q69 Comment on Guidance ICP 25.6.8

Answer

Q70 Comment on Standard CF25.6a

Answer

The ComFrame Standard on supervisory colleges should promote the objective of ICP 25 of “effective supervision of insurers operating on a cross-border basis” and result in consistent and coherent supervisory outcomes for insurers.

Q71 Standard CF25.6a

Does the IAIG currently fulfil the requirements of the standard? If “No” or “Partially”, what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?

Answer

Q72 Standard CF25.6a

What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q71 that would have to be made solely for purposes of ComFrame (please specify the currency)?

Answer	
	<p>Q73 Standard CF25.6a What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q71 that would have to be made solely for purposes of ComFrame (please specify the currency)?</p>
Answer	
	<p>Q74 Standard CF25.6a Please provide the assumptions made to estimate the one-time costs (Q72) and the ongoing costs per year (Q73).</p>
Answer	
	<p>Q75 Standard CF25.6a Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).</p>
Answer	
	<p>Q76 Comment on Guidance CF25.6a.1</p>
Answer	<p>This guidance should not only be a ComFrame requirement - the first meeting of the supervisory college should take place in a timely manner irrespective of whether the insurer is an IAIG.</p>
	<p>Q77 Comment on Guidance CF25.6a.2</p>
Answer	<p>If a supervisory college is meeting annually (CF25.6a), the coordination agreements for the year ahead should be confirmed and not just discussed at the initial meeting (bullet point 3 of CF25.6a.2).</p> <p>It is unclear why these priorities should only be the priorities of the supervisory college of the IAIG and not supervisory colleges generally.</p>
	<p>Q78 Comment on Guidance CF25.6a.3</p>
Answer	
	<p>Q79 Comment on Guidance CF25.6a.4</p>
Answer	
	<p>Q80 Comment on Standard CF25.6b</p>
Answer	
	<p>Q81 Standard CF25.6b Does the IAIG currently fulfil the requirements of the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?</p>
Answer	

Q82 Standard CF25.6b
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q81 that would have to be made solely for purposes of ComFrame (please specify the currency)?

Answer

Q83 Standard CF25.6b
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q81 that would have to be made solely for purposes of ComFrame (please specify the currency)?

Answer

Q84 Standard CF25.6b
Please provide the assumptions made to estimate the one-time costs (Q82) and the ongoing costs per year (Q83).

Answer

Q85 Standard CF25.6b
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).

Answer

Q86 Comment on Guidance ICP 25.6.9

Answer

Q87 Comment on Guidance ICP 25.6.10

Answer

Q88 Comment on Guidance ICP 25.6.11

Answer

Q89 Comment on Standard ICP 25.7

Answer

The reference to coordination of crisis management preparations is more relevant to IAIGs than to non-IAIGs, and would be more appropriate as a ComFrame requirement, not an ICP.

Q90 Comment on Guidance ICP 25.7.1

Answer

Q91 Comment on Guidance ICP 25.7.2

Answer

Q92 Comment on Guidance ICP 25.7.3

Answer

Q93 Comment on Guidance ICP 25.7.4

Answer

Q94 Comment on Guidance ICP 25.7.5

Answer

Q95 Comment on Guidance ICP 25.7.6

Answer

Any information exchange should occur on a confidential basis.

Q96 Comment on Guidance ICP 25.7.7

Answer

Information exchange should occur subject to confidentiality requirements and according to regulatory requirements. Under the current ICP 26.4, information sharing can take place "as far as legal frameworks and confidentiality regimes allow", and this fact should be reflected here.

Q97 Comment on Guidance ICP 25.7.8

Answer

Q98 Comment on Standard CF25.7a

Answer

Q99 Standard CF25.7a

Does the IAIG currently fulfil the requirements of the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?

Answer

Q100 Standard CF25.7a

What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q99 that would have to be made solely for purposes of ComFrame (please specify the currency)?

Answer

Q101 Standard CF25.7a

What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q99 that would have to be made solely for purposes of ComFrame (please specify the currency)?

Answer

Q102 Standard CF25.7a

Please provide the assumptions made to estimate the one-time costs (Q100) and the ongoing costs per year (Q101).

Answer

Q103 Standard CF25.7a

Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).

Answer

Q104 Comment on Guidance CF25.7a.1

Answer

CF 25.7a.1 should allow flexibility in making decision whether an IAIG's CMG should include resolution authority; therefore, "and resolution authorities" should be replaced with "and, where appropriate, resolution authorities."

Q105 Comment on Guidance CF25.7a.2

Answer

Q106 Comment on Guidance CF25.7a.3

Answer

Q107 Comment on Guidance CF25.7a.4

Answer

Q108 Comment on Guidance CF25.7a.5

Answer

This guidance describes recovery as the responsibility of the IAIG, not the supervisor. Therefore, it is unclear why recovery planning should be under active review by the IAIG CMG. Any review of the IAIG's recovery planning should be by the relevant involved supervisor.

Q109 Comment on Standard CF25.7b

Answer

Q110 Standard CF25.7b
Does the IAIG currently fulfil the requirements of the standard? If "No" or "Partially", what changes would have to be made in order to comply with ComFrame (e.g. changes to resources, processes, structures, etc.) and to what extent would those changes have to be made solely for the purpose of ComFrame?

Answer

Q111 Standard CF25.7b
What are the one-time (initial) costs to the firm associated with the changes described in the answer to Q110 that would have to be made solely for purposes of ComFrame (please specify the currency)?

Answer

Q112 Standard CF25.7b
What are the ongoing costs to the firm per year (excluding one-time costs) associated with the changes described in the answer to Q110 that would have to be made solely for purposes of ComFrame (please specify the currency)?

Answer

Q113 Standard CF25.7b
Please provide the assumptions made to estimate the one-time costs (Q111) and the ongoing costs per year (Q112).

Answer

Q114 Standard CF25.7b
Please specify the benefits of fulfilling the requirements included in the standard (that are attributable solely to ComFrame). The benefit should be viewed in terms of meeting the overall standard and should be all encompassing (e.g. the benefit for the company as well as the benefits for policyholders, for the public, for financial stability, etc.).

Answer

Q115 Comment on Guidance CF25.7b.1

Answer

Q116 Comment on Guidance CF25.7b.2

Answer

Q117 Comment on Standard ICP 25.8

Answer

Q118 Comment on Guidance ICP 25.8.1

Answer

Q119 Comment on Guidance ICP 25.8.2

Answer

Q120 Comment on Guidance ICP 25.8.3

Answer

Q121 Comment on Standard ICP 25.9

Answer

Q122 Comment on Guidance ICP 25.9.1

Answer

Q123 Comment on Guidance ICP 25.9.2

Answer

To achieve coordinated communication, GFIA suggests that this Guidance should be worded more strongly, for example, "The group-wide supervisor leads the communication with the insurance group, and directs when, and to what extent, insurance legal entity supervisors communicate with the insurance legal entities that are part of the group." However, we note that this guidance will always be subject to the legal entity supervisor's need to communicate with the legal entity in accordance with the legal requirements of its own jurisdiction.