The GFIA would like to thank the IAIS for this chance to provide feedback on its reorganisation. These improvements are intended to enhance the efficiency of its work, and the GFIA stands ready to contribute to this in any manner it can. The GFIA would like to work very closely with the IAIS secretariat throughout this restructuring process to ensure Observers play a constructive role in the international standard setting process.

In the past, strong Observer involvement has contributed substantially to the quality, applicability and timeliness of IAIS work as Observers have a wealth of insurance technical expertise to contribute. With the rise in prominence of global standard-setting initiatives such as the Insurance Capital Standard, the Backstop Capital Requirement and ComFrame to name just a few, the need for all stakeholders in the regulatory process to contribute their expertise and experience has even increased. We therefore hope that this restructuring will truly enhance the way Observer feedback is taken into account in the policy-making process.

Given the more limited number of opportunities for direct contact between the IAIS and Observers under the new structure, it is essential that these opportunities be leveraged to their full potential, allowing for the most focused and substantial feedback possible. For this, Observers need to be provided with adequate background documentation, and give sufficient time to prepare for dialogues. Also, it is important to ensure that a sufficient consultation period (for example, 60 days) is given for all Members and Observers. After closed meetings take place, Observers would welcome the publication of detailed minutes, so we can correctly follow the IAIS strategic direction on projects.

When consulting with Observers, all Observers should be equally provided with an opportunity to contribute, without limitation by region or line of business. It should be recognised that all Observers bring a different perspective to the table, given the substantial diversity of insurers globally.

Although the GFIA supports the IAIS’s proposal to limit its number of Working Groups and Taskforces, we have some concerns relating to the establishment of the Coordination Group. It is not fully clear to us whether the Coordination Group is intended to be a permanent part of the IAIS structure. If so, we would urge caution against establishing an additional coordination level which may end up slowing down the decision making process, especially as it has the responsibility to confirm each paper of the Working Groups before it is submitted to the Executive Committee for approval or further consideration.
(1) **What information should be provided at the background/explanation sessions?**

Background/explanation sessions should provide insight into the reasoning and objectives behind the material so Observers can better understand the strategic decision making of policymakers.

In addition, background/explanation sessions should provide opportunities for both observers and the IAIS to present information and to ask questions.

Background/explanation sessions and regional outreach should be conducted at an advanced point in the policy making process or drafting process as well as in advance of consultations. They should be announced at least two weeks in advance of the session. Background material should include an agenda, and supporting documentation such as PowerPoint presentations.

Background material should be provided in advance of the session to ensure that observers can come with well thought out questions and targeted comments.

(2) **Under what circumstances should the background/explanation sessions take place prior to the launch of the first round of consultation? Under what circumstances should such sessions take place at the same time as the launch of the first round of consultation?**

The GFIA believes that early Observers’ input gives valuable guidance on setting the scope and objectives of regulatory work. For this reason it would be best to include Observers from the beginning of the process and give them access as soon as the structure and cornerstones of the intended work are agreed to an extent that allows for meaningful feedback. This will provide members an opportunity to share with the Observers their thought process on choosing the topic, how they plan to manage the process, timeline and any other relevant information. In most cases the GFIA believes that the background/explanation sessions should be conducted in advance of the first round of a consultation.

(3) **What information would be beneficial to receive during the meetings with Task Force or Working Group leadership or a member of the Secretariat organised to discuss the resolution of comments after the first round of consultation?**

The GFIA’s priority is a complete and clear resolution of Observers’ comments. This resolution should give insight into the reasons why Observer comments and proposals have not or only partially been adopted, and what the key concerns are of each stakeholder, so as to foster better understanding of each others’ perspectives. Also alternative suggestions to resolve comments would be welcomed. For this, the GFIA request that dialogue-type discussions between the IAIS and Observers should be held.

With the change in structure, the role of the IAIS secretariat in providing information to Observers will likely be larger. It is essential for Observers to have an understanding of the dynamics in the decision process, to have access to
Powerpoint presentations, and to have insight into any changes in scope or approaches that have been decided at meetings. As Observers will be actively searching for additional information not posted on the website, responding to Observer queries may require additional time from staff.

(4) **At what time(s) would you find the Executive Committee Observer sessions most beneficial (e.g. in conjunction with the Annual Conference)?**

The GFIA appreciates the opportunity to take part in the Executive Committee Observer sessions, and agrees that the Annual Conference is an opportune moment for them to take place. In addition, we believe that it is reasonable to hold the sessions back to back with other meetings open to Observers.

It would be useful for the IAIS to hold these sessions at least twice yearly, with the option for Observers to request additional sessions under certain circumstances like the adoption of important standards or policy decisions. Especially early in the year it would be useful to have a greater understanding of the strategic direction of the IAIS.

These sessions will also be crucial for Observers’ understanding of the IAIS’ timeline for activities and consultations. It would be beneficial if a timeline of all pending activities and possible consultations would be provided after the Executive Committee meeting early in the year.

(5) **How would you organise the Executive Committee Observer sessions so that they are most beneficial?**

Drawing on the experiences from previous Observer Hearings, the GFIA believes that a similar structure could work well. This would include the opportunity for Observers to respond to questions posed by the IAIS as well as raise any other outstanding issues. Also, providing Observers with the opportunity to provide a written submission of comments in advance has previously proven beneficial in not only helping to prepare for the debates but to organise the sessions most effectively given the unavoidable time constraints of a physical meeting.

Having background documentation in advance of the meeting (including memos, lists of attendees or agendas), defining precisely the topics and questions to be discussed, would allow Observers to have a sufficient time to prepare and to provide the best input. We would also volunteer to organise our own speaking order to limit the duplication and provide a logical flow to our messaging.

We believe that the Executive Committee Observer sessions should provide strategic insight into the IAIS’s current thinking and future agenda and an opportunity for Observers to really engage with the IAIS at the highest level.

The Executive Committee Observer sessions would also be an appropriate time to invite qualified experts as guest speakers, or to invite high-level representatives from bodies relevant to the discussions (i.e. FSB representatives for work driven by the FSB).
(6) **How far advanced should an issue be before it is discussed at a dialogue or hearing?**

The efficiency of discussions is maximised when Observers know the IAIS’ expectations and the specific questions to be discussed in advance of dialogues, so as to give enough time to prepare.

Observers can provide valuable feedback regarding the objectives and approaches of workstreams and the direction of draft standards or relevant papers, and as such the GFIA recommends allowing Observers to provide their perspective as early in the development process or drafting process as possible.

More specifically, before beginning consideration of new agenda items such as the introduction of new regulatory concepts or the launch of new projects, it would be valuable to share sufficient information about its background and reasoning, and engage in frank exchange of views between all Members and Observers when the Executive Committee Observer sessions are held. We believe that the Executive Committee Observer sessions should achieve mutual understanding between Members and Observers.

Depending on the complexity of the issue, additional dialogues or hearings may be necessary throughout the development process. The resolution of comments over the course of the dialogue(s) or hearing(s) should be discussed in an efficient and transparent manner.

(7) **What types of policy issues would benefit most from a dialogue or hearing? What types of issues would see the least benefit?**

As a rule, open dialogue with Observers is always desirable. This is especially true where issues are of great importance to the global orientation of the industry (e.g. the ICS, BCR/HLA, ComFrame). Dialogue is also most efficient when issues have a certain level of maturity, or where consultations have already taken place.

(8) **What measures might be warranted in order to fully engage stakeholders in implementation-related activities?**

The GFIA would be eager to understand how to add value to its involvement in the IAIS. There may be a role for Observers to play in the Implementation Subcommittee, or in the IAIS Coordinated Implementation Framework. The GFIA would be interested in participating in any sessions or brainstorming the IAIS may do on this.

(9) **Should any limitations be placed on a Chair’s ability to invite stakeholders to provide specific, tailored participation in meetings?**

No limitations should be placed on the Chair’s ability to invite stakeholders to provide specific, tailored participation in meetings. This is an important part of the process to ensure that the IAIS has the information and expertise necessary in order to advance its work. This being said, it is equally important that the Chair seek a diversity of views across the Observer community both in terms of lines of business and geography.
Regional outreach to Members and Observers should not mean that only a subset of Members and Observers are consulted. It is imperative to get the full range of views before proceeding with standard-setting activities.

The chair should also have discretion to explicitly ask experts for additional input for a meeting.

(10) Are there any other aspects of the process for receiving stakeholder input on which you would like to comment?

- In the memo (dated 11 October), there is a mention of reducing costs by using technology. How will this be incorporated into the IAIS procedures? Will Observers be requested to use teleconference facilities? If so, will dial in information be circulated with sufficient time and how will this be done to take into account the number of different time zones?
- For scheduling purposes and travel budgets, when will Observers have detailed information of what meetings we can attend?
- If Observers feel that the information communicated by the IAIS does not adequately address their questions, will they be expected to arrange their own dialogues bilaterally with supervisors?
- Will the website reflect the changes in structure? If so, how?
- Will being an IAIS Observer allow for access to additional information via the website?
- Will there be any discussion of observership fees changing? The reorganisation is conducted under the rationale of enhancing efficient use of resources, so we hope that this will have a dampening effect on the development of the IAIS budget in the new financial planning period after 2015 and will reduce or limit the need to further steeply increase observers’ fees.
- Will there be a procedure for how supervisory authorities are supposed to engage with their own Observers from their particular jurisdiction to ensure all stakeholder opinions are taken into consideration?
- How will the role of the public play into the consultations? Will they be able to participate at any other time in the process besides to review the final product?