

Resolution of public consultation comments on draft revisions to supervisory material related to the Holistic Framework

December 2024

1. Macroprudential related standards (ICP 16)

	Organisation	Jurisdiction	Comment	Resolution of comment
General comments on proposed changes to ICPs 16.6 and 16.9 and related ComFrame standards				
Comments on proposed changes to ICP 16.6				
Comments on proposed changes to ICP guidance 16.6.11				
1	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>“Establishes” seems circular. Consider the following edit:</p> <p>16.6.11 Counterparty risk appetite refers to the level of risk the insurer is willing to accept that a counterparty will be unable to meet its obligations as they fall due with a focus on the relevant risk limits. This may impact the insurer’s financial position through, for example, reductions in fair value or impairment of investments, loss of reinsurance cover, open market exposures or the loss of securities that have been loaned.</p>	Noted.
Comments on proposed changes to ICP guidance 16.6.12				
2	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>What the investment policy specifies should be “the” risk appetite that drives the insurer’s decision. Consider the following edit:</p> <p>16.6.12 In deciding whether it is necessary for the insurer to specify its counterparty risk appetite in its investment policy, the supervisor should take into account the size of the insurer’s counterparty exposures, both in absolute terms and relative to the insurer’s portfolio, according to the characteristics outlined in Guidance 16.6.4, as well as the complexity and form of these exposures. Particular attention should be paid to financial sector counterparties, as these counterparties may be more likely to contribute to the build-</p>	Noted and agreed. The draft has been revised to incorporate your suggestion.

			up of systemic risk. Attention should also be paid to off-balance sheet exposures or commitments, as these may be more likely to materialise during stress.	
Comments on proposed changes to CF 16.6.b				
Comments on proposed changes to ICP guidance 16.9.7				
3	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>The descriptive mode “is documented” is not typical for guidance. Consider one of the following edits:</p> <p>16.9.7 The contingency funding plan may at the discretion of the supervisor, be either a standalone document or integrated fully and comprehensively into another document as part of other elements of the ERM.</p> <p>or</p> <p>16.9.7 The contingency funding plan should be documented and, at the discretion of the supervisor, may be either a standalone document or integrated fully and comprehensively into another document as part of other elements of the ERM.</p>	Noted and agreed. The draft has been revised to incorporate your second suggestion.
Comments on proposed changes to CF guidance 16.9.c.1				
Comments on proposed changes to CF guidance 16.9.c.2				
Comments on proposed changes to CF guidance 16.9.c.3				
Comments on proposed changes to CF guidance 16.9.c.4				
Comments on proposed changes to CF guidance 16.9.c.5				

4	Institute International Finance (IIF)	of USA	We would restore the deleted CF 16.9.c.5, which provides that the supervisor may allow an IAIG's contingency funding plan to be developed as part of a recovery plan, should the insurer determine that such a plan is necessary. The insurer should have the necessary flexibility and discretion to engage in planning exercises that best reflect the activities, risk profile and organizational structure of the company.	Not agreed. The draft new guidance in 16.9.7 will apply to IAIGs. This allows the contingency funding plan to, at the supervisor's discretion, be incorporated into other parts of the ERM. The proposed deletion of CF 16.9.c.5 does not limit an insurer's flexibility and discretion to engage in planning exercises that best reflect the activities, risk profile and organizational structure of the company.
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2. Recovery and resolution related standards (ICPs 12 and 16)

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General comments on proposed changes to ICP 12 and related ComFrame standards				
1	Assuris (Canada)	Canada	We strongly support the proposed changes to ICP 12 and related ComFrame standards. We have observed a range of practices in resolution planning for IAIGs as it relates to CMGs. We recommend that the IAIS Resolution Working Group be tasked to work collaboratively with willing Supervisors, Resolution Authorities and PPS to develop best practices guidance on CMGs, in terms of their content, participants and roles and responsibilities.	Noted. As a next step, the IAIS will update its supporting materials (application papers) on the recovery and resolution standards, which also discuss the role of CMGs.
2	International Forum of Insurance Guarantee Schemes IFIGS	Spain	We commend IAIS on the work being done to properly embed Resolution and Recovery elements more firmly in ComFrame. And we are in strong support of the Proposed Changes to ICP 12. We do however want to make some general comments and some specific suggestions, which might further enhance the value of the Standard. We anticipate that many of our individual jurisdiction Members may choose to respond to your request for input with their own specific comments, but the comments attached below represent a consensus view of our Membership. 1. It is our strong view that the work of supervisors in Resolvability Assessment and Resolution Planning would be materially enhanced by properly incorporating a specific principle regarding the engagement of PPSs/IGSs (where such exist) in the Resolvability Assessment and Resolution Planning activities. We would suggest a specific addition to section 12.3 recommending this be done.	1. Noted. We consider that it would not be necessary to add a reference to a PPS considering not all jurisdictions have a PPS. However, the IAIS does refer to PPSs in its supporting materials.

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			<p>2. An effective PPS/IGS (as described so well in your 2023 Issues Paper on the subject) can bring deep expertise to the practical elements of Resolution Planning and can help minimize the additional resource requirements that these additional elements of ComFrame might otherwise impose on supervisory authorities.</p> <p>3. In 12.8.6 there are two other important authorities identified (Restructuring mechanisms and Suspension of rights). We would urge IAIS to make clear that imposing “haircuts” on policyholders should only be seen as a last resort option. Modern insurance consumers trust their insurers and their supervisors to ensure that failure is rare. We strongly believe that imposing losses on innocent policyholders (or other insurance contract creditors) is an option only when all other options for resolution have been exhausted.</p> <p>Thank you for the opportunity to engage on these important topics and for all the work you are doing to enhance the financial services safety net for insurance consumers around the world.</p> <p>Miguel Ángel Cabo Lopez</p> <p>Chair, Executive Committee, The International Forum of Insurance Guarantee Schemes IFIGS</p>	<p>2. Noted.</p> <p>3. Noted. ICP 12.8.12 already indicates that insurance liabilities should be written down only after equity and lower ranking liabilities and only if policyholders are not worse off than in liquidation.</p>

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3	Protektor Lebensversicherungs- AG	German	<p>As a member of the International Forum of Insurance Guarantee Schemes (IFIGS), we support the comments already made by FIGIS:</p> <p>1. It is our strong view that the work of supervisors in Resolvability Assessment and Resolution Planning would be materially enhanced by properly incorporating a specific principle regarding the engagement of PPSs/IGSs (where such exist) in the Resolvability Assessment and Resolution Planning activities. We would suggest a specific addition to section 12.3 recommending this be done.</p> <p>2. An effective PPS/IGS (as described so well in your 2023 Issues Paper on the subject) can bring deep expertise to the practical elements of Resolution Planning and can help minimize the additional resource requirements that these additional elements of ComFrame might otherwise impose on supervisory authorities.</p> <p>3. In 12.8.6 there are two other important authorities identified (Restructuring mechanisms and Suspension of rights). We would urge IAIS to make clear that imposing “haircuts” on policyholders should only be seen as a last resort option. Modern insurance consumers trust their insurers and their supervisors to ensure that failure is rare. We strongly believe that imposing losses on innocent policyholders (or other insurance contract creditors) is an option only when all other options for resolution have been exhausted. Thank you for the opportunity to engage on these important topics and for all the work you are doing to enhance the financial services safety net for insurance consumers around the world.</p>	See response to Comment 2.

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			Roland Weber CEO, Protektor Lebensversicherungs-AG, IGS of the German Life Insurers	
4	The Geneva Association	International	<ul style="list-style-type: none"> Resolution planning obligations lie with the resolution authority and this responsibility should remain with them. The burden of developing these plans should not be shifted onto re/insurers, whether by explicitly requiring them to prepare for resolution in addition to recovery, or implicitly through extensive data collection requests. In addition, the preparation of the resolution planning should not be a one-way line of communication whereby the resolution authority requires information from the company. In return, the resolution authority should communicate to the company the resolution strategy contemplated in the resolution plan. If resolution/recovery planning is included in the ICP and in ComFrame, then the articulation of how these tools apply to solo and group levels becomes vital. A general principle should be that no recovery/resolution planning should be required at the solo level when one exists at the group level, which considers major local entities in the jurisdiction in question. If essential specificities of a major local entity for one particular jurisdiction is not reflected in the group plan, the local supervisors may ask the groupwide supervisors to require a more granular coverage of those specificities. However, the local supervisors should not be automatically entitled to require a specific local 	<p>First bullet point: Noted. ICPs 12.3 and 12.4 clarify that resolution processes and procedures are the supervisor's and/or resolution authority's responsibility, but that insurers are expected to be involved and to provide all relevant information. See also the IAIS Glossary. Additionally, we would like to clarify that part of the reason for adding new standard 12.3 was to ensure the framework described in standards 12.1 and 12.2 is operationalised and that the supervisor and/or resolution authority has appropriate procedures in place in order to resolve any insurer should the circumstances arise.</p> <p>Second bullet point: We emphasise that CF 12.4.a.3 provides sufficient flexibilities and discretion on this point, such as stating that "Other involved supervisors and/or resolution authorities <u>may deem it appropriate</u> to have their own resolution plan for the IAIG's insurance legal entity in their jurisdictions..." and "Host jurisdiction resolution plans should be established <u>in cooperation with the group-wide supervisor and/or resolution authority</u></p>

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			plan. The groupwide supervisor should be the sole gateway for discussing recovery and resolution.	<i>to ensure that the plan is as consistent as possible with the group-wide resolution plan for the IAIG</i> . Considering the issue could also be applicable to other insurance groups that are not IAIGs, the IAIS moved the guidance to the ICP level (to ICP 12.4.10 by taking from the relevant content in CF 12.4.a.2, 12.4.a.3 and 12.4.b.1 with some necessary adjustments).
5	APCIA	USA	<p>APCIA considers it appropriate that, in its drafting of revisions to ICPs 12 and 16 and the related ComFrame standards and guidance, that the IAIS has suggested factors that the jurisdiction should consider; the text does not mandate that any particular criterion be in place, nor does it preclude the possibility that the jurisdiction may consider other factors and criteria not listed as examples to consider in the revised ICP text. In other words, the criteria in a jurisdiction will be determined by that jurisdiction and in a manner that is appropriate for that jurisdiction.</p> <p>That is particularly important in jurisdictions such as the U.S. where, for example, a comprehensive network of state-based Insurance Guaranty Funds (PPS) have long existed and proven effective in resolving failed insurers and would be a key consideration by state insurance regulators in developing and maintaining criteria that would identify insurers for which resolution plans should be in place, as well as the level of detail of those plans. There are other differences in the U.S. as well, such as the existence of a comprehensive code of Federal</p>	Para 1 - 5: Noted.

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			<p>Bankruptcy Laws and related Federal Bankruptcy Courts which comprise authority to resolve holding companies and certain non-insurance operations of insurance groups.</p> <p>While the IAIS may not see fit to include such jurisdictional-specific attributes in the ICPs' lists of factors and criteria that supervisors should consider, it is critical that the U.S. (and other jurisdictions with respect to their own specificities) be able to establish criteria that is appropriate given the overall legal framework and the state and federal authorities in which powers relevant to resolution and recovery of any part of an insurance group reside.</p> <p>APCIA's comments on ICP 12 and the related ComFrame standards are also intended to reinforce the application of the proportionality principle emphasizing a focus on material risks to the insurer, the likelihood that the insurer might fail as opposed to a hypothetical ("if it were to fail"), as well as key plausible scenarios and options that are likely to be most effective in addressing those scenarios. In that regard, it focuses the effort on potential problems of greatest concern while minimizing the burden on insurers and supervisors alike.</p> <p>Our comments also intend to amplify the principles of the Holistic Framework by focusing on the activities of an insurer. Where systemic risk is considered in ICPs 12 and 16 and the related ComFrame standards, we support referencing ICP 24 without introducing new and potentially conflicting language.</p>	

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			While we support the role of the group-wide supervisor in overseeing the development of group-wide resolution/recovery planning, the role of host supervisors overseeing major legal entities within the group is also critical, particularly when there are jurisdictional specificities that provide powers and authorities relevant to the resolution processes that may be unique to a jurisdiction in which the group does business. An example in the U.S. is the role of state insurance guaranty funds; information about the favorable impacts that IGAs can provide to an insurer's resolution in the jurisdiction should flow up to the group-wide supervisor for inclusion in the group-wide resolution plan. If essential specificities of a major legal entity for one particular jurisdiction is not sufficiently reflected in the group plan, the local supervisors should be able to ask the group-wide supervisors to require a more granular coverage of those specificities.	Para 6: See response to Comment 4.
6	General Insurance Association of Japan	Japan	We agree with the intent of making amendments in line with the FSB's Key Attributes requirements. However, proportionality should be applied in the development of a resolution plan to avoid excessive loading that is not substantively meaningful.	ICP 12.4.2 specifies that the supervisor and/or resolution authority should consider several factors to determine the level of detail of a plan. Also, the proportionality principle underlies all the ICPs, as stated in the ICP Introduction.
7	Monetary Authority of Singapore	Singapore	We generally agree with the proposed changes to ICP 12 and related ComFrame standards. The proposed changes enable effective processes and procedures for resolution of insurers, with resolution plans being	Noted.

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			required, at a minimum, for an insurer assessed to be systemically important or critical if it fails.	
8	Institute of International Finance (IIF)	USA	<p>The Institute of International Finance (IIF) and its insurance members are pleased to respond to the IAIS's consultation on Draft Revisions to Supervisory Material Related to the Holistic Framework in ICPs 12 (Exit from the Market and Resolution) and 16 (Enterprise Risk Management for Solvency Purposes) and related ComFrame standards (collectively, the Holistic Framework Revisions). We appreciate the IAIS's monitoring of potential sources of systemic risk in the insurance sector through an integrated and holistic approach consisting of enhanced supervisory policy measures for macroprudential purposes, a global monitoring exercise, and the assessment of jurisdictional implementation of the framework.</p> <p>The Holistic Framework Revisions reflect an unduly prescriptive approach and an approach that may not be suitable for all jurisdictions. We find that the Holistic Framework Revisions deviate from the IAIS's integrated and holistic approach by prescribing rigid standards rather than offering guidance to supervisors that can be incorporated into the regulatory and supervisory regimes in place across jurisdictions with different insurance resolution frameworks at varying levels of development. An overly prescriptive approach does not provide the needed supervisory flexibility and discretion to develop and implement a recovery and resolution framework that reflects a jurisdiction's insurance markets, its legislative and</p>	<p>Para 1: Noted.</p> <p>Para 2: The revisions provide a fair balance between the need for international standards and the specificities of jurisdictions and insurers.</p>

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			<p>judicial frameworks, and the specificities of the jurisdiction's insurance recovery and resolution framework and/or insurance guarantee scheme. In response to Question 2 of the Consultation questions, we do not favor the application of certain recovery and resolution planning requirements to all insurers.</p> <p>A more proportionate approach to insurance resolution would also better reflect the wide range of regulatory and supervisory initiatives that have been implemented in recent years, including supervisory colleges for internationally active insurance groups (IAIGs), own risk and solvency assessment (ORSA) guidance, enterprise risk management frameworks and assessments, corporate governance reporting and disclosure, IAIS global monitoring exercises and individual insurer monitoring, and regulatory capital calculations and analyses. These initiatives materially reduce the potential for systemic risk to arise from the insurance sector that could impact negatively and to a material extent the global financial system and the real economy.</p> <p>The Holistic Framework Revisions are reflective of the recent development in the European Union (EU) of the proposal for an Insurance Recovery and Resolution Directive (IRRDR). While the IRRDR may be considered appropriate for the EU, it may not be equally well suited for other insurance markets with different (and, in some cases, long-standing and tested) frameworks for insurance recovery and resolution. We encourage the IAIS to develop a more principles-based approach to supervisory guidance on</p>	<p>Para 3: Proportionality is an overarching principle of the ICP and ComFrame. Furthermore, proportionality is interwoven in the revisions, for example when they refer to 'nature, scale and complexity'.</p> <p>Para 4: The revisions are inspired by developments in many jurisdictions regarding insurance recovery and resolution, not only the IRRDR. The revisions provide a fair balance between the need for international standards and the specificities of jurisdictions and insurers.</p>

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			<p>recovery and resolution that can meet the needs of different markets and regulatory and supervisory approaches.</p> <p>The Holistic Framework Revisions should reflect an activities-based approach (ABA) to potential sources of systemic risk in the insurance sector. An ABA shifts an overly narrow focus on an individual company and a single “solution” to systemic risk before it is even found to exist to a broader view of insurance markets and the full range of available responses to any systemic risks that do arise. The broader view of potential risks and policy responses under the ABA also serves to minimize the potential for competitive market distortions that can be amplified when a firm is singled out for enhanced regulation and supervision but its peers conducting similar activities are not. An ABA permits the consistent treatment of activities across the insurance sector, reducing fragmentation and facilitating a level playing field.</p> <p>The current approach to potential systemic risk in the Holistic Framework Revisions appears to move back to the entity-based approach (EBA) that was in large part replaced by the IAIS with an ABA at the time of adoption of the Holistic Framework in 2019. The Holistic Framework was endorsed by the Financial Stability Board (FSB) in 2022 as an important improvement to and evolution of the former EBA designations of global systemically important insurers. While certain elements of the Key Attributes remain relevant to the resolution of insurers, the Key</p>	<p>Para 5 - 10: The revisions are activity-based and, moreover, risk-based, as the focus is on the insurers the activities of which are critical or could lead to financial stability risks. Furthermore, in the context of crisis management, it is an insurer that fails, not only an activity of the insurer.</p>

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			<p>Attributes should be read in light of the 2022 FSB endorsement of the Holistic Framework</p> <p>Specifically, the IAIS's website includes the following statements with respect to the consultation on the Holistic Framework Revisions (emphasis added):</p> <ul style="list-style-type: none"> • At the ICP standard level, the IAIS proposes to include a requirement for supervisors and/or resolution authorities to have a process to prepare for resolution in general; and a separate requirement for a process to regularly assess which insurers must have a resolution plan. • This means that it is proposed to move the resolution plan requirement from ComFrame to the ICPs, to be applied to all insurers as necessary based on established criteria, and at a minimum for any insurer that is assessed to be systemically important or critical if it fails. • These proposed changes are being made to ensure consistency in determining insurers in scope of the requirement, and to align the standards with the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions, in recognition of the fact that resolution plans may also be necessary for certain insurers that are not an IAIG, to the extent their disorderly failure may have a systemic impact. <p>These statements do not adequately reflect that the 2022 endorsement of the Holistic Framework by the FSB has changed in some respects the interpretation and application to insurers of some aspects of the Key Attributes. The Holistic Framework Revisions should be considered in light of this more recent history of the</p>	

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			<p>approach to systemic risk in the insurance sector and the Revisions should reflect an ABA.</p> <p>Moreover, this apparent reversion to an EBA in the Holistic Framework Revisions would send ‘mixed signals’ to insurance supervisors that could lead to significant inconsistencies across jurisdictions, including a return to entity designation in some jurisdictions. (See e.g. Section 12.4.) Retaining the explicit adoption of an ABA would send a clear signal to insurance supervisors that would significantly mitigate the negative impacts of regulatory fragmentation.</p> <p>In implementing an ABA, there should be clear evidence of a connection between activities and the potential for the propagation of material levels of systemic risk to the global financial system and to the real economy through the transmission channels of asset liquidation or counterparty exposure. The quality of the insurer’s risk management, the availability of risk mitigants and solutions such as run-off or risk transfer, as well as the high degree of substitutability of traditional insurance products and services, should be taken into account in determining whether and to what extent an insurance activity could give rise to material systemic risk impacts on the global financial system and real economy (hereinafter referred to as ‘systemically relevant activities’).</p> <p>The determination of which insurers should be subject to resolution planning should be based on a holistic, activities-based approach that considers the potential</p>	<p>Para 11: Noted. The impact of the insurer’s failure is listed in ICP 12.4.1 as a factor of the criteria.</p>

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			<p>impact of the failure of an insurer engaged in systemically relevant activities on the global financial system and the real economy. Simplistic proxies based on size, market share and global footprint are not proportionate nor are they consistent with the holistic approach to systemic risk developed successfully by the IAIS and endorsed by the Financial Stability Board (FSB). Specifically, in response to Question 3 of the Consultation questions, we would not agree with a blanket approach that recommends the development of resolution plans for all IAIGs.</p> <p>IIF insurance members see an important role for contingency and/or recovery planning, combined with a more flexible approach to formal plans. The Holistic Framework Revisions could better emphasize the important role of contingency and/or recovery planning in avoiding the need for the resolution of an insurer. Contingency planning exercises can encompass a broad range of situations that may present financial challenges to an insurer. Contingency planning exercises can be holistic, encompassing contingency measures, liquidity risk management measures and recovery planning.</p> <p>Planning exercises allow an insurer to address challenges proactively before the need for supervisory intervention arises. A focus on planning as opposed to formal plans reflects the fact that contingency or recovery planning is a dynamic exercise. The exact course of action needed to restore an insurer is context-dependent and cannot be specified in</p>	<p>Para 12: Noted.</p> <p>Para 13: Considering the implications of financial distress of an insurer for policyholders, employees and possibly financial stability and the real economy at large, the decision to develop a resolution and/or recovery plan, should not be at the discretion of insurers.</p>

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			<p>advance. Senior management needs to retain the flexibility and discretion to take appropriate actions under a wide range of potential circumstances and in light of both internal and external factors affecting the insurer. Whether to adopt a formal contingency and/or recovery plan should be at the discretion of the company, in consultation with its lead or group supervisor.</p> <p>Relatedly, contingency and/or recovery planning should be the primary responsibility of the insurer. The company has the best understanding of how to structure a planning exercise in light of the organizational and management structure of the insurer. Contingency planning can also be embedded in a company's ORSA, its internal capital or liquidity frameworks, or other risk assessment and management plans, as is considered in Section 16.9.7. We believe that the IAIS should advise supervisors to adopt a flexible approach that allows for the development of planning exercises that best reflect the activities, risk profile and organizational structure of the company.</p> <p>The development of a resolution plan should be reserved for extraordinary situations and should be led by the group supervisor in close collaboration with the supervisory college, the Crisis Management Group (CMG), if one exists, or any resolution authorities or administrators of a policyholder protection scheme (PPS) that would be involved in the resolution of the insurer. In the rare event that a resolution plan needs to be developed, the</p>	<p>Para 14: Noted.</p> <p>Para 15: The revisions ensure that resolution plans are drafted for insurers on the basis of a risk-based approach, regardless of whether this is an extraordinary situation or not.</p>

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			<p>supervisory college, any CMG, and any resolution authorities or PPS administrators that would be involved in the resolution of the insurer should coordinate closely in the design of the plan. In designing a resolution plan, authorities should be mindful of the impacts on customers of any restrictions on an insurer's business activities, particularly when those restrictions impact essential product lines.</p> <p>The group supervisor and resolution authorities should also coordinate closely with local supervisors through the supervisory college or CMG mechanisms and establish clear lines of authority and responsibility.</p> <p>Insurance critical functions should refer to functions that are necessary for the proper functioning of the global financial system, rather than to functions that are necessary for a particular insurer. In order to be deemed an insurance critical function, there should be a clear linkage between a specific function and the propagation of material levels of systemic risk to the global financial system and to the real economy should that function suffer a serious and prolonged interruption or cease to be performed without adequate substitution.</p> <p>The IAIS should refer to the FSB's definition of insurance critical functions , which is a function that has all of the following three elements:</p> <ul style="list-style-type: none"> • The function is provided by an insurer to third parties not affiliated with the firm; 	<p>Para 16: Noted.</p> <p>Para 17: In the context of ICP 12, insurance critical functions refer to internal functions at the insurer (such as IT or legal) that are critical for its ability to continue in business. .</p> <p>Para 18 - 21: Noted.</p>

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			<ul style="list-style-type: none"> • The sudden failure to provide that function would be likely to have a material impact on the financial system and the real economy; and • It cannot be substituted within a reasonable period of time and at reasonable cost. <p>In the first instance, the company should be responsible for the identification of the critical functions it performs, if any, subject to supervisory discussion and review. The company is best suited to determine the materiality and criticality of its key functions. A supervisory determination of critical functions without adequate input from the company could result in determinations based on incomplete information and could give rise to inappropriate and harmful supervisory interference in the company's business activities as a going concern.</p> <p>Critical shared services provide the essential infrastructure the firm needs to provide critical functions; however, some critical shared services can be interrupted for a short period of time without leading to the failure of a critical function. Therefore, it is important to understand the severity of the consequences of a failure of a critical shared service and how quickly the failure of a particular critical shared service could cause the collapse of a critical function. According to the FSB, a critical shared service has the following elements:</p> <ul style="list-style-type: none"> • An activity, function or service is performed by either an internal unit, a separate legal entity within the group or an external service provider; • That activity, function or service is performed for one 	

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			<p>or more business units or legal entities of the group;</p> <ul style="list-style-type: none"> • The sudden and disorderly failure or malfunction would lead to the collapse of or present a serious impediment to the performance of critical functions. <p>Market share and other size-related criteria should not be a proxy for whether a function performed by an insurer should be deemed 'critical'. Rather, critical functions should be defined according to the impact on the global financial system and the real economy should they become unavailable. Any such potential impact should be assessed to be materially negative before the function is deemed to be 'critical'.</p>	
9	Swiss Insurance Association (SIA)	Switzerland	<p>The Swiss Insurance Association (SIA) thanks the IAIS for the opportunity to provide comments on the suggested changes to supervisory material related to the Holistic Framework in ICPs 12 and 16 and related ComFrame standards.</p> <p>[Comments regarding recovery and resolution plans] With the suggested changes, the IAIS proposes adding further rules regarding recovery and resolution plans. For recovery as well as for resolution plans, the guiding principle should be that no plans should be required at the solo level when plans already exist at the group level, with major entities adequately accounted for. Furthermore, currently applicable rules regarding resolution plans in ComFrame already offer a framework that is coherent and consistent with the FSB Key Attributes.</p>	<p>Para 1: Noted.</p> <p>Para 2 - 3: See response to Comment 4.</p>

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			<p>In times of crises, supervisors, and resolution authorities must cooperate to ensure the best possible outcomes for policyholders, creditors, and the broader financial system. Pre-emptive group plans promote cooperation among all relevant authorities and insurance groups. Supervisory material that emphasizes local plans over groups plans perpetuates fragmentation and should not be the first option. In addition to the proposed changes to ICP 12, cross-border agreements between authorities should be established under the lead of the group-wide supervisor. Cross-border agreements should set out the roles and responsibilities of participating authorities and establish processes for coordination and information sharing in developing recovery and resolution plans (c.f. FSB guidance on “Developing Effective Resolution Strategies and Plans for Systemically Important Insurers”, 2016). In case of a cross-border resolution, reliable pre-emptive agreements between the involved authorities are required. Only if such agreements are in place, and are adhered to, will it be possible to carry out an orderly resolution in the interest of policyholders, creditors, and the broader financial system.</p> <p>The importance of cross-border cooperation was already emphasized by the IAIS in its June 2011 Issues Paper on “Resolution of cross-border insurance legal entities and groups” and includes recommendations to harmonise insurance restructuring and insolvency laws as well as supervisory approaches in this respect. The paper states the necessity for acknowledging insolvency</p>	<p>Para 4: Noted.</p>

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			<p>laws and regulations in various jurisdictions.</p> <p>[Comments regarding the document structure] Since some paragraphs were moved out of ComFrame to the general section of ICP 12, inconsistencies with ICP 12.2.1 to 12.2.3 have been introduced. For instance, according to 12.2.1 and CF 12.2.a.1, enhancing and protecting financial stability is not an aim of resolution in the case of non-IAIGs. The proposed paragraph 12.4.7 is in contradiction to this differentiation.</p> <p>[Comments regarding paragraph 12.4.7] The paragraph 12.4.7 should be deleted as it is superfluous and contradictory. The aims of protecting policyholders and minimizing reliance on public funds are already stated in Standard 12.2. Financial stability is a prime objective in the case of systemically important institutions.</p>	<p>Para 5 - 6: While it is true that ICP 12.2 states the fundamental principle that resolution is intended to protect policyholders and to provide for the absorption of losses in a manner that respects the liquidation claims hierarchy, that should by no means be construed as a statement that these are the only factors supervisors should ever consider in preparing for, or conducting resolution, nor that the consideration of financial stability should be reserved exclusively for IAIGs. There is no contradiction between ICP 12.2 and proposed ICPs 12.3 and 12.4.</p> <p>We disagree with the proposal to delete proposed ICP 12.4.7. The ICPs are aimed not only to protect policyholders but also to contribute to financial stability (see ICP Introduction).</p>
10	American Council of Life Insurers	USA	<p>ACLI supports ICPs that require supervisors to have processes managing insurer resolutions and allowing supervisors to assess, based on established risk-based criteria that consider proportionality, when an insurer should be required to contribute to a supervisor's resolution plan or to submit a recovery plan to a supervisor (collectively referred to as "RRPs" or "RRP supervisory requirements").</p> <p>We recommend the ICPs related to RRP consider the fact that life insurers generally write longer term,</p>	<p>Para 1: Noted.</p> <p>Para 2: The revised standards do not make a distinction between types of insurers, but</p>

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			<p>illiquid liabilities, which greatly reduces the probability of sudden failures. These unique characteristics of a life insurer's business model are often considered in existing jurisdictional supervisory approaches which carefully track the financial health of all insurers and can be used to determine when additional RRP supervisory requirements should apply to an insurer.</p> <p>Given the unique characteristics and existing jurisdictional supervisory approaches, our view is that RRP supervisory requirements should not be applied mechanically. Only when a process, involving an activities-based risk assessment using clear criteria, indicates the existence of a micro-prudential risk or macro-prudential risk (that is not mitigated by existing supervisory process and/or an insurer's ERM framework and contingency plans) should a supervisor, using their judgment, require company action on RRP.</p> <p>When determining when a supervisor should engage with an insurer for either resolution or recovery planning, we agree that supervisor(s) can leverage existing ERM frameworks, ORSAs, capital and liquidity regimes, and the myriad of other available supervisory tools to perform an activities-based risk assessment. We also agree that some of the criteria in the assessment should be specific to an insurer's circumstances and with the use of the following general criteria such as:</p> <ul style="list-style-type: none"> • complexity, size, activities and its lines of business • risk profile and risk management mechanisms • level of substitutability of the insurer's activities or 	<p>allow for authorities' discretion on the basis of nature, scale and complexity.</p> <p>Para 3 - 4: Noted. See also response to Comment 8.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>business lines</p> <ul style="list-style-type: none"> • complexity of the insurer's structure, including the number of jurisdictions in which it operates • interconnectedness • likelihood of the insurer's failure • impact of the insurer's failure • number of policyholder's impacted • services or operations are significantly relied upon and cannot be substituted with reasonable time and cost • causing a systemic disruption or a loss of general confidence in the insurance sector • cost/benefit analysis of a resolution or recovery plan <p>Given that ICPs are applicable to the supervision of all insurers, we recommend that the defining of criteria for an activities-based risk assessment be addressed in other jurisdictional supervisory guidance (e.g., standards or guidelines). This would also be consistent with many of the other improvements to post-crisis group supervision of insurers (e.g., identifying a lead supervisor and collaboration among jurisdictional supervisors using comparable supervisory frameworks).</p> <p>It is also important that RRP supervisory requirements are coordinated across jurisdictions and not duplicative or overlapping. Supervisors should also be able to remove RRP supervisory requirements if a subsequent application of the activities-based risk analysis indicates that the need for RRP supervisory requirements has been eliminated.</p>	<p>Para 5: Noted. The suggestion may be considered in an application paper.</p> <p>Para 6: Noted.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
11	Insurance Europe	Europe	<p>Insurance Europe supports the requirement for RRP plans where there is a clearly identified need determined by risk-based criteria and a public interest test. However, the IAIS's proposed new wording in ICP 12 and ICP 16 goes beyond this and unnecessarily increases expectations without sufficient rationale or justification. The proposed minimum market requirements for RRPs, in particular, are contrary to a risk-based approach and should be deleted.</p> <p>In the European Union, the co-legislators have provisionally agreed to implement minimum recovery and resolution requirements for insurers (IRRd). The currently agreed text sets the framework for recovery and resolution requirements. It fully reflects, and goes well beyond, the existing requirements in ICP 12 and ICP 16. As a minimum standard, Insurance Europe does not support any new and/or additional requirements under ICP 12 and ICP 16 which go beyond the requirements set out in the IRRd. Any additional requirements and specifications should remain at jurisdictional level to ensure the specifics of the local market are better reflected.</p> <p>The obligation of resolution planning should rest with the resolution authority. Resolution authorities should not pass it on to (re)insurers, whether it be by explicitly requiring a (re)insurer to prepare for resolution in addition to any recovery planning, or implicitly by allowing a resolution authority to perform extensive data collection that would overburden the company. In addition, the preparation of the</p>	<p>Para 1: The revised standard ensures a risk-based approach, taking into account nature, scale and complexity. Within the framework of this standard, the paragraph on a minimum share in ICP 12.4.1 (as well as in ICP 16.16.2) allows authorities to decide also to require resolution plans for a minimum share of the sector to reflect certain jurisdictional practices. Therefore, the paragraph in ICP 12.4.1 is not a separate rule and does not set out any expectation or requirement that such a criterion should be in place. For better readability, we changed the wording “share” to “market share” in the paragraph.</p> <p>Para 2: Noted</p> <p>Para 3 - 5: See response to Comment 4.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>resolution plan should not be a one-way line of communication whereby the resolution authority requires information from the company. In return, the resolution authority should communicate the resolution strategy to the company.</p> <p>Where resolution/recovery planning is included in the ICP and in ComFrame, then the articulation between solo and group becomes vital. To ensure the best possible outcome for policyholders and other creditors in times of crises, cooperation among authorities, in line with ICP 25 and co-operation agreements, should be promoted. Group plans meet that objective, whereas encouraging the multiplication of local plans perpetuates fragmentation.</p> <p>A general principle should be followed whereby no recovery and resolution planning should be required when one exists at group level which considers major legal entities. If essential specificities of a major legal entity for one particular jurisdiction are not sufficiently reflected in the group plan, the local supervisors should be able to ask the group-wide supervisors to require a more granular coverage of those specificities. However, the local supervisors should not be entitled to require a specific local plan. The group-wide supervisor should be the sole gateway for discussing recovery and resolution.</p>	
12	State Secretariat for International Finance	Switzerland	<p>We thank you for the opportunity to comment on the draft revisions to supervisory material related to the Holistic Framework in ICPs 12 and 16 and related ComFrame standards. As of 1 January 2024, Switzerland enacted the revised Insurance</p>	<p>The revised standards ensure a risk-based approach to the selection of insurers subject to planning and the scope of planning. A risk-based approach should not be limited to IAIGs, but should also encompass non-</p>

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			Supervision Law, in line with ComFrame as well as the FSB's Key Attributes of Effective Resolution Regimes for Financial Institutions. The revised Law gives the supervisory authority FINMA the power to establish effective and extensive resolution plans for insurance groups if their insolvency would threaten the stability of the financial system or the real economy or if justified by certain characteristics. A risk-based approach ensures that resolution plans are coherent and made for those insurers that are indeed of critical importance. We thus do not see any necessity to add further rules regarding resolution plans besides the ones in ComFrame that in our view already offer a framework that is coherent and consistent with the FSB Key Attributes. This characteristic is of importance to us, as this ensures that negative impacts on both the effectiveness and the costs of implementation can be avoided.	IAIGs, in recognition of the fact that resolution plans may also be necessary for certain insurers that are not an IAIG, to the extent their disorderly failure may have a systemic impact.
13	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA supports ICPs that require supervisors to have processes that manage insurer resolutions and allow supervisors to assess, based on established risk-based criteria and in proportionate manner, when an insurer should be required to contribute to a supervisor's resolution plan or to submit a recovery plan to a supervisor (collectively referred to as "RRPs" or "RRP supervisory requirements").</p> <p>Given the unique characteristics and existing jurisdictional supervisory approaches, GFIA's view is that RRP supervisory requirements should not be applied mechanically. Only when a process involving</p>	Para 1- 6: Noted. See also responses to Comments 8 and 10.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>an activities-based risk assessment using clear criteria indicates the potential existence of macroprudential risk (that is not mitigated by existing supervisory process and/or an insurer's ERM framework and contingency plans) should a supervisor, using their judgment, require company action on RRP.</p> <p>When determining when a supervisor should engage with an insurer for either resolution or recovery planning, GFIA agrees that supervisors should leverage existing ERM frameworks, ORSAs, capital and liquidity regimes, and the myriad of other available supervisory tools to perform an activities-based risk assessment.</p> <p>Given that ICPs are applicable to the supervision of all insurers, GFIA recommends that the defining of criteria for an activities-based risk assessment be addressed in other jurisdictional supervisory guidance (e.g. standards or guidelines). This would also be consistent with many of the other improvements to post-crisis group supervision of insurers (e.g. identifying a lead supervisor and the collaboration among jurisdictional supervisors using comparable supervisory frameworks).</p> <p>However, GFIA does note agreement with some of the IAIS's proposed general criteria such as:</p> <ul style="list-style-type: none"> • complexity, size, activities and its lines of business • risk profile and risk management mechanisms • level of substitutability of the insurer's activities or business lines 	

	Organisation	Jurisdiction	Comment	Resolution of comment
			<ul style="list-style-type: none"> • complexity of the insurer's structure, including the number of jurisdictions in which it operates • interconnectedness • the impact of the insurer's failure • number of policyholder's impacted • services or operations are significantly relied upon and cannot be substituted with reasonable time and cost • causing a systemic disruption or a loss of general confidence in the insurance sector • the likelihood of the insurer's failure; and • a cost/benefit analysis of a resolution or recovery plan. <p>It is also important that RRP supervisory requirements are coordinated across jurisdictions and not duplicative or overlapping. Supervisors should also be able to remove RRP supervisory requirements if a subsequent application of the activities-based risk analysis indicates that the need for RRP supervisory requirements has been eliminated.</p> <p>Where a resolution/recovery plan is included in the ICP and in ComFrame, then the articulation between solo and group becomes vital. A general principle should be that no recovery/resolution plan should be required when one exists at group level which considers major legal entities. If essential specificities of a major legal entity for one particular jurisdiction is not sufficiently reflected in the group plan, the local supervisors should be able to ask the group-wide supervisors to require a more granular coverage of those specificities.</p>	<p>Para 7: See response to Comment 4.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			Finally, GFIA does not consider that the difference between "plan" and "planning" is adequately explained in the draft, making it difficult for many stakeholders to appropriately distinguish between the two concepts.	Para 8: To avoid confusion the revised standards do not refer to 'resolution planning', but to resolution processes and procedures, allowing for a broad interpretation. The term 'resolution plan' is used when it concerns an actual document/handbook which lies down the resolution related aspects needed to be prepared.
Question related to ICP 12.3 and ICP 16.15: The ICPs establish the minimum requirements for effective insurance supervision and are expected to be implemented and applied in a proportionate manner. Do you favour the proposed proportionate application of certain recovery and resolution planning requirements to all insurers? Please explain and provide details of how proportionality should apply and/or where such planning should be deemed necessary. The IAIS may consider this feedback in the final versions of the ICP guidance or in the supporting material (application papers).				
14	Assuris (Canada)	Canada	We support proportionate application of resolution planning requirements to all insurers. While we agree with the criteria identified in s. 12.4.1, we believe some insurers exhibit a level of complexity that requires advanced resolution planning even if they are not IAIGs or do not operate in multiple jurisdictions. For example, we observe that some insurers have begun to use complex cross-border asset intensive reinsurance arrangements or are affiliated with private equity ownership structures and engage in opaque alternative asset arrangements with affiliates within the private equity family of entities. We believe that Supervisors, Resolution Authorities and/or PPS should develop an assessment of an insurer's "resolution risk" and develop a rating system, which would encompass the criteria in 12.4.1 but may also include other criteria specific to the insurer's legal	Noted. We believe the proposed draft is accommodating the right for jurisdictions to consider those risks and create a rating system. But considering these ICPs are a minimum requirement, we do not take this comment on board. Additional optional criteria for having a resolution plan requirement for a particular insurer, such as complex cross-border reinsurance arrangements, may be developed in a future application paper.

	Organisation	Jurisdiction	Comment	Resolution of comment
			structure and operational complexity and that this resolution risk rating should be the basis for determining the level and extent of resolution planning necessary for that insurer. The cost of failure for a company with a higher resolution risk is not currently captured in the risk-based capital regime. This cost is an externality borne by society at large and for which some insurers obtain a competitive advantage or are permitted to generate higher returns for shareholders.	
15	The Geneva Association	International	For most insurers, liquidation will be the preferred route and it would be disproportionate to establish a resolution plan for every insurer - if only because resolution authorities do not have the resources for this. Only standalone entities or groups which are likely to pass a public interest test should be subject to resolution planning (i.e. normal insolvency proceedings including the use of PPS would not meet the objectives of resolution to the same extent). In addition, group recovery plans should only be required for IAIG's, as is currently the case, and only cover the most significant entities, rather than all of them.	<p>The IAIS agrees that a recovery or resolution plan does not need to be in place for every insurer.</p> <p>Therefore, the changes are intended to be reflective of the proportionality principle and to allow (local) supervisors to make a determination whether a resolution plan and/or recovery plan is required for an insurer. The changes require authorities to have a process to regularly assess for which insurers having a resolution plan is necessary, based on established risk-based criteria (the nature, scale and complexity of the insurer). At a minimum, a recovery/resolution plan is required for any insurer(s) assessed to be systemically important or critical if it fails. A similar requirement is proposed for recovery plans. This means not every insurer is required to have a recovery and/or resolution plan.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
				We disagree with the comment that IAIG status should be the sole criterion for whether recovery plans should be required at the group level. Also, for insurance groups that are not an IAIG, a group-wide plan may be needed.
16	APCIA	USA	<p>APCIA supports the concept of proportionality as it is described in the Overarching Concepts of the Introduction and Assessment Methodology Section to the ICP's and ComFrame. While those Overarching Concepts are, by definition ("overarching"), intended to apply as applicable throughout the ICPs and ComFrame, we are nonetheless concerned that, as supervisors and assessors consider individual ICPs such as ICP 12 or 16, they may overlook or simply be unaware of the Overarching Concepts text because it is not located in or referenced in those ICPs.</p> <p>Therefore, rather than articulating how proportionality may apply in ICPs 12 and 16 as regards recovery and resolution planning requirements – possibly with different or even conflicting language from that in the Introduction to the ICPs – we suggest that ICPs 12 and 16 simply make explicit reference back to the Overarching Concepts. With that, the reader may gain a fuller understanding of the concept of proportionality and how it is intended to be applied both in implementation and in application. That would provide the supervisor or assessor the appropriate context with which to apply the necessary judgment in determining the appropriate supervisory response</p>	<p>Indeed, the principle of proportionality underlies all the ICPs and this is clearly stated in the Introduction to the ICPs. However, in certain ICP guidance paragraphs, the IAIS may add specific language to explain what proportionality means in the specific context of that standard.</p> <p>In the updated version, ICP 16.15.2 and .3 provides such further guidance on the application to different insurers.</p> <p>Also, the standards 16.15 and 16.16 have now been merged into one standard. The reason is that both previous standards had the same intended outcome, namely for insurers to be better prepared for possible severe stress situations in advance.</p> <p>See also response to Comment 15.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>across a spectrum of possibilities. For example, for insurers or groups for which the strongest supervisory measures pertaining to recovery and resolution should be applied (e.g., where the supervisor has determined that the insurer is systemically important consistent with the provisions of ICP 24); where very little may be necessary (e.g., where an insurer's liabilities would be substantially covered by comprehensive and proven Insurance Guarantee Funds or other Policyholder Protection Schemes); or somewhere in between.</p> <p>Supervisors would then have flexible and proportional discretion to determine whether a resolution plan or recovery plan is necessary for an insurer. The process should not be prescriptive, but rather based on the judgment of the supervisor using risk-based factors. Supervisors currently have tools to understand the insurer's financial position under various stress scenarios and the ability to make the determination of whether having a resolution or recovery plan is necessary.</p>	
17	General Insurance Association of Japan	Japan	<p>We agree with the proportionate application of recovery and resolution "planning" requirements for all insurers. However, given the relatively low likelihood of systemic risk arising from the insurance sector, a proportionate response should be taken, considering the insurer's nature, scale, complexity, and solvency position.</p> <p>It is not appropriate for the IAIS to uniformly prescribe</p>	See responses to Comments 15 and 16.

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			requirements for the development of supervisory policy measures, including the requirement for the development of a recovery and/or resolution "plans" from the perspective of fully considering the characteristics of each jurisdiction and insurer.	
18	Monetary Authority of Singapore	Singapore	We agree with the proposed proportionate application of certain recovery and resolution planning requirements to all insurers. Jurisdictions should minimally establish processes and procedures to support the effective resolution of an insurer if it becomes necessary. Resolution planning should be proportionately applied based on an insurer's systemic importance and whether it performs critical functions. An insurer that is assessed to be systemically important or critical if it fails, should further be subject to a resolution plan.	Noted. See responses to Comments 15 and 16.
19	Swiss Insurance Association (SIA)	Switzerland	<p>No, SIA does not support the proposed application of recovery and resolution planning requirements to all insurers. For an effective insurance supervision, regulation including guidance should be principles- and risk-based.</p> <p>Recovery – Requirements for recovery including a recovery plan can make sense for internationally active insurance groups and, to a certain extent, local insurers.</p> <p>Resolution – The emphasis should be for jurisdictions to implement a resolution regime along the FSB Key Attributes to establish the conditions for orderly</p>	<p>See responses to Comments 15 and 16. We do not agree with your view that recovery plans should not be mandatory for IAIGs, also this was already part of the original language and as such this was not subject to consultation.</p> <p>Critical if they fail also captures insurers that are not systemically important, but still may have a critical impact on the real economy in case of failure, and was also added to ensure alignment with the FSB Key Attributes.</p>

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			<p>resolutions. In such a regime, there is no necessity for an automatic requirement for resolution authorities to draw up resolution plans; this decision should always follow a risk-based assessment by the relevant supervisor or resolution authority.</p> <p>Furthermore, proportionality should be applied as follows:</p> <p>(1) Insurers in scope, based on nature, scale and complexity of the insurer:</p> <p>a. For the scope of recovery plans, IAIGs could be a starting point. It then should be up to the group-wide supervisor, or solo entity supervisor if no group-wide supervisor exists, to determine for which insurer in its responsibility a recovery plan is needed. There should be no automatic requirement for an IAIG or any insurer to establish recovery plans; this decision should always be risk-based and at the discretion of the relevant supervisor.</p> <p>b. Resolution plans should only be required for insurance groups or insurers if they are deemed systemically important, as stated in ICP 12.4.</p> <p>(2) Requirements in respect to the contents of a recovery plan (i.e. how detailed the recovery plan should be): While large, complex insurance groups might need a comprehensive recovery plan, for smaller, less complex IAIGs a less detailed plan should be sufficient.</p>	

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			Additionally, linking resolution plan requirements to the attribute of a “critical failure” is (a) not necessary as it is captured sufficiently by the attribute of “systemic importance” and (b) it decreases the coherence of application as the concept of critical failure can be interpreted in many different ways (c.f. response to ICP 12.4).	
20	American Council of Life Insurers	USA	<p>ACLI does not support the application of the RRP supervisory requirements as proposed. It does not consider the current proposal to be sufficiently proportionate or that it should apply to all insurers.</p> <p>The scope of RRP requirements should be fully risk-based and should be primarily focused on group-level requirements. Supervisors should have flexible and proportional discretion to determine whether a resolution plan or recovery plan is necessary for an insurer. The process should not be prescriptive, but rather based on the judgment of the supervisor using risk-based factors. Supervisors currently have tools to understand the insurer’s financial position under various stress scenarios and the ability to make the determination of whether having a resolution or recovery plan is necessary.</p> <p>We would support ICPs that apply RRP supervisory requirements to all insurers if, as outlined in our remaining comments, the ICPs are modified to (1) make RRP supervisory requirements contingent on activities-based risk assessments; (2) limit application to insurers where activities-based risk assessments</p>	See responses to Comments 15 and 16.

	Organisation	Jurisdiction	Comment	Resolution of comment
			indicate the need for additional RRP supervisory requirements; (3) provide clarity that the RRP supervisory requirements cannot be duplicative; and (4) provide that RRP supervisory requirements can be removed by a supervisor when justified.	
21	The Life Insurance Association of Japan	Japan	<p>-The Life Insurance Association of Japan (hereafter the "LIAJ") appreciates the opportunity to submit public comments to the International Association of Insurance Supervisors (or the "IAIS") regarding the draft revisions to supervisory material related to the Holistic Framework.</p> <p>-The LIAJ well recognizes the background and intention of the revisions currently proposed by the IAIS.</p> <p>-Meanwhile, the LIAJ understands that the reason why not all insurance companies have been required to develop a recovery and resolution plan up to now is because it has been judged that systemic impact they may have in the event of failure is limited or non-existent based on their nature, scale, complexity of business, etc., and assumes that this basis remains the same.</p> <p>-Therefore, while the proposed requirement applies, "at a minimum, to any insurer(s) assessed to be systemically important or critical if it fails", the LIAJ would like to ask IAIS to give adequate consideration to proportionality, and avoid simply expanding the scope of applicable insurers when implementing this revision.</p> <p>For example, considering that proportionality will be applied to the determination of the insurer's systemic</p>	<p>See response to Comment 15.</p> <p>We keep the wording "at a minimum" to clarify that it need not be only for systemic/critical insurers.</p> <p>We would agree that the supervisor/resolution authority should provide the designated insurer explanation of the reason for their designation. The supervisor should be transparent and accountable to supervised entities. This general principle is expressed under ICP 2, eg ICP 2.6.1, "Parties subject to a decision made by the supervisor should be able to receive the written reasons for the decision".</p>

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			importance, it may provide more clarity by removing the words “at a minimum” from the revised ICP 12.4 in relation to the scope of applicable insurers. Also, the LIAJ believes that the supervisor or resolution authority should provide the designated insurer(s), detailed and thorough explanation of the reason for their designation.	
22	Insurance Europe	Europe	<p>No, Insurance Europe opposes the proposed application of RRP requirements for all insurers. The requirement for all insurance companies to draw up a recovery and resolution plan is neither necessary from a risk perspective, nor is it proportionate to implement, as the effort involved is high even for small insurance companies.</p> <p>As the ICP is a minimum standard, it should set out the minimum requirements. The proposal to include all insurers in the scope of RRP requirements is not consistent with minimum requirements.</p> <p>In our view, the scope of RRP requirements should be fully risk-based and should be primarily focused on group-level requirements. In particular, there should be no subsidiary-level, pre-emptive recovery and resolution planning requirements, if a group plan exists.</p> <p>In addition, for most insurers normal insolvency proceedings will be the preferred route and it would be disproportionate to establish a resolution plan for every insurer, if only because resolution authorities</p>	See responses to Comments 15 and 16.

	Organisation	Jurisdiction	Comment	Resolution of comment
			simply do not have the resources for this. On top of the application of risk-based criteria, only standalone solos or groups which are likely to pass a public interest test should be subject to resolution planning (i.e. resolution plans should only be required in the rare circumstances where normal insolvency proceedings, including the use of PPS, would not meet the objectives of resolution to the same extent).	
23	State Secretariat for International Finance	Switzerland	We reject the suggestion that certain recovery and resolution planning requirements should be applicable to all insurers. This would neither be focused on systemic risk nor be proportionate, and would exceed the aim of the Holistic Framework to assess and mitigate the potential build-up of systemic risk.	See responses to Comments 15 and 16.
24	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA agrees with the proportionate application of recovery and resolution planning requirements. However, given the relatively low likelihood of systemic risk arising from the insurance sector, planning requirements should not apply generally to all insurers.</p> <p>A general application is neither necessary from a risk perspective nor is it proportionate to implement, as the effort involved is high even for small insurance companies. A risk-based application and proportional implementation of planning requirements must be taken, considering the insurer's nature, scale, complexity, solvency position and impact of failure.</p>	See responses to Comments 15 and 16.

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25	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	U.S. state insurance supervisors agree that jurisdictions should have processes and procedures in place to ensure orderly resolution or recovery of any insurer should the circumstances arise. As not all insurers are the same, it is important for any such processes and procedures to be applied in a proportionate manner, in line with the ICPs' overarching principle of proportionality. For example, in the U.S. state-based insurance framework, all insurers must have effective systems of risk management and internal control, while more specific requirements are applied to insurers exceeding certain premium threshold limits (i.e., insurers writing more than \$500 million in annual premiums) and may be required of other insurers below those limits at the discretion of the supervisory authority. We feel this approach appropriately accounts for proportionality in these areas. Certain requirements, like recovery or resolution plans, would not be appropriate for all insurers; accordingly, we agree that 12.4 and 16.16 take an appropriate approach to determining which insurers must have such plans in place.	Noted.
26	International Actuarial Association (IAA)	International	The IAA agrees with the proportionality proposals as the complexities of large insurance groups typically warrant the detail that is included in the full regime, but it is possible to have a simpler regime for smaller companies that is more cost effective and needs less resource, yet is still fit for purpose. The other benefit of the proportionate approach is that avoids a "cliff-	Noted.

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			edge” between companies that are in or out of the regime.	
Question related to CF 12.4.a: Recovery plans are required for all IAIGs. Resolution plans are required to be in place, at a minimum, for any insurer assessed to be systemically important or critical if it fails (regardless of their status as an IAIG). Due to their nature, scale and complexity, arguably there could be a presumption that all IAIGs should be subject to the requirement to have a resolution plan in place (unless deemed unnecessary by the supervisor or resolution authority), even if not assessed as systemically important. Are you in favour or against the possible introduction of a requirement, or presumption, that resolution plans are also required to be in place for all IAIGs? Please explain your opinions.				
27	Assuris (Canada)	Canada	<p>We are in favour of a presumption that resolution planning and CMGs should be required for all IAIGs. Our experience in resolving failed insurers (including, for example, the failure of Confederation Life in the 1990s) indicates that cross-border issues are the most common and most difficult issues to be resolved in failure where an insurer operates in multiple jurisdictions. Insurers will typically take advantage of multi-jurisdictional operations to maximize available capital, treasury, tax and operational efficiencies which will usually be challenging to unwind post failure. Cross-jurisdictional coordination and cooperation is critical to facilitate an orderly failure that minimizes the cost to the policyholders and economies of each jurisdiction. That cooperation and coordination should be established well in advance of a failure, while the IAIG is a stable going concern. Advance resolution planning, including CMGs or equivalent forums, where Supervisors, Resolution Authorities and PPS from the relevant jurisdictions can meet regularly and gain a common understanding of resolution risks in advance, will improve the</p>	<p>We note that Assuris is in favour of introducing a presumption that all IAIGs should be subject to resolution planning requirements. While the points raised by the stakeholders favouring such a presumption are significant issues that should be considered by group-wide supervisors of IAIGs, we conclude that they are adequately addressed by the proposed CF 12.4.a, which calls for the GWS of each IAIG to conduct a case-by-case evaluation to determine whether a resolution plan is necessary, as discussed more fully in our response to Comment 29. Assuris also favours a presumption that CMGs should be required for all IAIGs. A requirement to establish a CMG is already established by CF 25,7.a, and no change to that requirement has been proposed for consideration.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			effectiveness of crisis response and facilitate an orderly resolution.	
28	The Geneva Association	International	<ul style="list-style-type: none"> • Resolution planning should only be for any insurer assessed to be systemically important or critical if it fails (regardless of their status as an IAIG), which are likely to pass the public interest test. We therefore ask for two-fold proportionality. Firstly, proportionality that pertains to which insurers are subject to resolution planning; and secondly, proportionality in terms of the requirements for resolution and recovery plans. From a systemic risk perspective, there is no need to subject all insurers to resolution planning. • In light of the uncertain criteria regarding which companies are expected to perform resolution planning, as these are jurisdictional decisions, the existence or creation of a plan for a particular insurer does not necessarily indicate that it is systemically important. This is one reason why the industry opposes the intent to publish a list of groups subject to resolution planning if it gives the impression that there is an equivalence between being subjected to such a framework and being a systemically important institution. 	We note that the Geneva Association opposes introducing a presumption that all IAIGs should be subject to resolution planning requirements. In their view, resolution planning should only be for systemically important insurers, regardless of their status as IAIGs. Although we have concluded that a requirement for systemically important insurers should be regarded as a floor, without restricting the flexibility of jurisdictions to adopt more expansive requirements, we agree with the Geneva Association that proportionality is an essential consideration when making this decision. The Geneva Association noted further that because not all jurisdictions limit resolution planning to systemically important insurers, the existence or creation of a plan does not necessarily indicate that an insurer is systemically important, and the publication of a list of insurers subject to resolution planning could give rise to mistaken inferences about the systemic importance of the listed insurers. See also responses to Comments 27 and 29.
29	APCIA	USA	While the question posits a potential supervisory requirement that a resolution plan be in place for all	We note that APCIA opposes introducing a presumption that all IAIGs should be subject

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>IAIGs, the preface to the question posits that such a requirement, if it existed, could be deemed unnecessary by the supervisor or resolution authority. We are thus puzzled if it would thus be an actual requirement at all? Regardless, APCIA supports the general approach used in the drafting of the ICP 12 text which provides that it would be up to the jurisdiction to determine the appropriate criteria to have in place. While the ICP sets forth some examples of factors that the jurisdiction may consider in determining its criteria, the ICP appropriately does not mandate any particular factor or criterion, nor does it prohibit the jurisdiction from considering other factors or criteria that are not mentioned by way of example in the ICP.</p> <p>APCIA believes that ICP 12's approach for a jurisdiction to determine which non-IAIGs should have a resolution plan in place is an appropriate approach for application to IAIGs as well. APCIA does not support the presumption that, just because a group is an IAIG, a resolution plan is necessary.</p> <p>Finally, the term "critical if it fails" seems to be synonymous to some degree with "systemic risk" which is defined in ICP 24. We would nonetheless prefer that readers be guided to refer to ICP 24 for that definition and not introduce new terminology in ICP 12 that may be potentially different and conflicting.</p>	<p>to resolution planning requirements. Instead, ACPIA supports the general approach taken in the consultation draft, which provides that it would be up to the jurisdiction to determine the appropriate criteria to have in place, remarking that the ICP sets forth some examples of factors that the jurisdiction may consider in determining its criteria but "appropriately does not mandate any particular factor or criterion, nor does it prohibit the jurisdiction from considering other factors or criteria that are not mentioned by way of example in the ICP". APCIA does not believe that IAIG status, in and of itself, should be a sufficient reason to take a more rigid approach. See also response to Comment 27.</p> <p>APCIA also specifically objected to introducing the phrase "critical if it fails" to ICP 12, but that is beyond the scope of the current question. We address it in response to their Comment 74 on ICP 12.4, and subsequent comments on ICP 12 guidance and ICP 16.16.</p>
30	General Insurance Association of Japan	Japan	We strongly oppose the requirement that imposes all IAIGs to develop a resolution plan.	We note that the General Insurance Association of Japan strongly opposes requiring all IAIGs to be subject to resolution

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>We understand that the main purpose of the development of a resolution plan is to prevent the emergence of systemic risk. Imposing a uniform requirement to develop a resolution plan on insurers that, even if they were to fail, would have only a limited impact on financial stability, is clearly a measure that goes beyond the policy objective.</p> <p>Even if we were to discuss expanding the scope of the development of the resolution plan, the criteria should not be "whether or not the insurer is an IAIG", but rather "the degree of impact of the insurer's failure to the financial stability". Therefore, it would be inappropriate to groundlessly impose such a requirement on all IAIGs.</p> <p>The scope of the IAIS requirement should be limited to requiring jurisdictional authorities to have a process to consider the impact of each insurer's failure. From the perspective of fully taking into account the characteristics of each jurisdiction and insurer, it is not appropriate for the IAIS to uniformly prescribe requirements for policy measures of the development of a resolution plan.</p> <p>In addition, we understand that EC 11.1 of the FSB's "Key Attributes Assessment Methodology for the Insurance Sector" requires the development of recovery and resolution plans for all G-SIIs as well as other insurers that could be systemically significant or critical if they fail.</p> <p>We also recognize that, as stated in the "2023</p>	<p>planning requirements. They assert that the main purpose of resolution planning should be to prevent the emergence of systemic risk, which is aligned with the FSB KAs. They also cite a January 2024 GFIA report which concludes that systemic risk in the insurance sector is limited. However, the importance of preventing systemic risk should not necessarily preclude jurisdictions from considering other reasons for instituting resolution planning. See responses to Comments 27 to 29.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>Resolution Report", the FSB has discontinued the identification of G-SIIs and is instead developing a list of insurers who are subject to making a resolution plan. Therefore, we believe that requiring all IAIGs to develop a resolution plan is inconsistent with the FSB's consideration.</p> <p>The GFIA's report published in January 2024 titled "Insurance: a unique sector" also concluded that systemic risk in the insurance sector is much lower than in the banking sector, and individual insurers do not generally create material systemic risk.</p>	
31	Monetary Authority of Singapore	Singapore	<p>We are of the view that it should not be presumed that resolution plans should be in place for all IAIGs. For example, there may be IAIGs that comprise of insurance entities that are individually small in the respective jurisdictions, and hence a group resolution plan would not be necessary. The requirement for a group resolution plan for an IAIG should be determined based on criteria that considers the nature, scale and complexity of the group, as set out in ICP guidance 12.4.1, in consultation with the crisis management group of the IAIG. For IAIGs that have been assessed to be systemically important or critical if it fails, a group resolution plan should then be in place.</p>	<p>We note that the Monetary authority of Singapore opposes introducing a presumption that all IAIGs should be subject to resolution planning requirements. See also responses to Comments 27 to 29.</p>
32	Swiss Insurance Association (SIA)	Switzerland	<p>No, SIA does not support the introduction of a requirement, that resolution plans must be in place for all IAIGs.</p>	<p>We note that the SIA opposes introducing a requirement that all IAIGs should be subject to resolution planning requirements. They cite experience from the Swiss market as</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>The decision for requiring resolution plans should be informed by the relevant supervisor's risk-based assessment that follows the criteria outlined in ICP 12.4.1 (excluding the market share approach; c.f. response to ICP guidance 12.4.1).</p> <p>The classification as an IAIG is not only a matter of the absolute size of the insurance group, but often also related to the (small) size of the country where the insurer is mainly domiciled. The IAIG-criteria are not risk-based and therefore cannot inform a decision on resolution planning. Size and internationality on their own are insufficient conditions to decide on the need of a resolution plan (c.f. appropriate criteria laid out in ICP 12.4.1).</p> <p>For instance, Switzerland currently has five insurance groups out of 57 worldwide that are classified as IAIGs. This rather high ratio is due the fact that Switzerland with its almost nine million inhabitants and approx. 820 billion GDP represents a limited market for a scalable (re-)insurance business. This almost inevitably leads to international activities once the business has reached a certain size, which is neither indicative of complexity, nor of the risk associated with the underlying business.</p>	evidence that IAIG status does not always correlate with systemic importance, complexity of operations, or other relevant risk-based criteria. See also responses to Comments 27 to 29.
33	American Council of Life Insurers	USA	<p>ACLI does not support the introduction of a requirement, or presumption, that resolution plans should be required for all IAIGs.</p> <p>As mentioned in the general comments and responses to other questions, requirements for</p>	We note that the American Council of Life Insurers opposes introducing a presumption that all IAIGs should be subject to resolution planning requirements. See also responses to Comments 27 to 29.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>insurers to join supervisors in preparing a resolution plan should (1) consider the unique characteristics of life insurers; (2) recognise existing jurisdictional supervisory approaches; and (3) only occur when an activities-based risk assessment, using clear criteria, indicates the need for a resolution plan.</p> <p>When determining when a supervisor should engage with an insurer for either resolution or recovery planning, we agree that supervisor(s) can leverage existing ERM frameworks, ORSAs, capital and liquidity regimes, and the myriad of other available supervisory tools to perform an activities-based risk assessment. We also agree that some of the criteria in the assessment should be specific to an insurer's circumstances and with the use of the following general criteria such as:</p> <ul style="list-style-type: none"> • complexity, size, activities and its lines of business • risk profile and risk management mechanisms • level of substitutability of the insurer's activities or business lines • complexity of the insurer's structure, including the number of jurisdictions in which it operates • interconnectedness • likelihood of the insurer's failure • impact of the insurer's failure • number of policyholder's impacted • services or operations are significantly relied upon and cannot be substituted with reasonable time and cost • causing a systemic disruption or a loss of general 	

	Organisation	Jurisdiction	Comment	Resolution of comment
			confidence in the insurance sector • cost/benefit analysis of a resolution or recovery plan	
34	The Life Insurance Association of Japan	Japan	<p>-The LIAJ does not support the proposal to require resolution plans to be in place for all IAIGs. The insurers who fall into the scope of being required to develop a resolution plan should be determined by the insurer's activity, risks on the nature of business and impact of its failure on the global financial system, and does not always coincide with the criteria for the designation as an IAIG.</p> <p>Additionally, requirement by the IAIS to have resolution plans in place for all IAIGs would not necessarily be consistent with the Financial Stability Board statement that "all insurers that could be systemically significant or critical upon failure, and at a minimum all G-SIIs, should be subject to a requirement for an ongoing process of recovery and resolution planning" in its guidance "Key Attributes of Effective Resolution Regimes for Financial Institutions Revised version" (p.79) published on April 25th, 2024.</p> <p>-Therefore, the LIAJ does not support the catchall approach that simply expands the scope and requires resolution plans to be in place for all IAIGs.</p> <p>-Also, the proposed requirement would not be consistent with the premise that the ICPs and ComFrame establish the minimum requirements for effective insurance supervision.</p>	We note that the Life Insurance Association of Japan opposes introducing a requirement that all IAIGs should be subject to resolution planning requirements, and support the FSB's emphasis on insurers that could be systemically significant or critical upon failure. See also responses to Comments 27 to 29.
35	Insurance Europe	Europe	No, the determination of resolution planning for IAIGs should be based on risk-based criteria. There does not appear to be any value in making the presumption	We note that Insurance Europe opposes introducing a presumption that all IAIGs should be subject to resolution planning

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>that all IAIGs would require a resolution plan in the ICP, particularly given it is a minimum standard.</p> <p>In addition, as per the response to Q2, resolution planning should only be for any insurer assessed to be systemically important or critical if it fails, regardless of their status as an IAIG, which are likely to pass the public interest test.</p>	<p>requirements, and asserts that the resolution planning should be limited to insurers that are assessed to be systemically important or critical if they fail. See also responses to Comments 27 to 29.</p>
36	State Secretariat for International Finance	Switzerland	<p>We also reject the presumption that every internationally active insurer should per se be subject to the resolution plan requirement, as this is not the appropriate criterium to capture systemic risk.</p>	<p>We note that the SIF opposes introducing a presumption that all IAIGs should be subject to resolution planning requirements, noting that IAIG status does not necessarily correlate with systemic risk. See also responses to Comments 27 to 29.</p>
37	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA does not support the introduction of a requirement, or presumption, that resolution plans should be required for all IAIGs.</p> <p>As mentioned in the general comments and responses to other questions, requirements for insurers to join supervisors in preparing a resolution plan should (1) consider the unique characteristics of insurers; (2) recognise existing jurisdictional supervisory approaches; and (3) only occur when an activities-based risk assessment, using clear criteria, indicates the need for a resolution plan. Please see Q1 for GFIA comments on what constitutes appropriate criteria.</p> <p>GFIA members consider that the main purpose of the development of a resolution plan is to prepare for</p>	<p>We note that the GFIA opposes introducing a presumption that all IAIGs should be subject to resolution planning requirements. GFIA asserts that such a requirement should be based on appropriate criteria, in particular impact of failure to the financial stability. See also responses to Comments 27 to 29.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>failure of an insurer to mitigate the potential emergence of systemic risk. Imposing a uniform requirement to develop a resolution plan on insurers that, even if they were to fail, would have only a limited impact on financial stability, is clearly a measure that goes beyond the policy objective.</p> <p>As such, the criteria (as highlighted in Q1 response) should not be, "whether or not the insurer is an IAIG", but rather, "the degree of impact of the insurer's failure to the financial stability". In addition, the scope of the IAIS requirement should be limited to requiring jurisdictional authorities to have a process that considers the impact of each insurer's failure. From this perspective, it is not appropriate for the IAIS to uniformly prescribe requirements for policy measures of the development of resolution plan for all IAIGs.</p>	
38	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	U.S. state insurance supervisors are opposed to a presumption that all IAIGs should be required to maintain formal resolution plans based solely on their size and operations in multiple jurisdictions, which does not align with the IAIS Holistic Framework. Such requirements can be overly burdensome on both the IAIG and the supervisor when not warranted due to other criteria outlined in CF guidance 12.4.a (e.g., risk profile and risk management, level of substitutability, interconnectedness, impact of failure).	We note that NAIC opposes introducing a presumption that all IAIGs should be subject to resolution planning requirements. See also responses to Comments 27 to 29.
39	International Actuarial Association (IAA)	International	The IAA's view is that all IAIGs should have resolution plans. By definition IAIGs operate in multiple jurisdictions, so the resolution of such a group is not	We note that the IAA is in favour of making all IAIGs subject to resolution planning

	Organisation	Jurisdiction	Comment	Resolution of comment
			straight-forward, with the likelihood of multiple calls for support from the group company and the need to deal with the different regulatory regimes, and wider corporate law, which will apply to the different group companies.	requirements. See also responses to Comments 27 to 29.
Comments on proposed changes to ICP 12.3				
40	National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) and National Conference of Insurance Guaranty Funds (NCIGF)	USA	<p>Policyholder Protection Schemes (PPSs) can and should play an important role in developing or assessing resolution strategies, and, therefore, they should be part of or otherwise support resolution planning, crisis management groups (CMGs) and other coordination efforts, with appropriate confidentiality protections in place.</p> <p>Supervisors and/or resolution authorities should coordinate and cooperate with PPSs. Early PPS involvement in a resolution is a critical part of policyholder protection.</p> <p>Without PPS involvement, supervisors, resolution authorities and/or CMGs will be operating at a significant disadvantage and will have difficulty achieving their intended purpose.</p>	See response to Comment 2.
41	Insurance Europe	Europe	Insurance Europe supports the new wording which makes the resolution authority responsible for the preparation of the resolution planning, rather than each individual insurer.	Noted, even though it must be said that revised ICP 12.3 makes the supervisor and/or resolution authority responsible for having processes and procedures in place to be prepared for resolution.

	Organisation	Jurisdiction	Comment	Resolution of comment
42	Global Federation of Insurance Associations (GFIA)	Global	GFIA supports the new wording which makes the resolution authority responsible for the preparation of the resolution planning rather than each individual insurer.	See response to Comment 41.
43	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>“Prepared for and used in” is not a parallel construction. The authority needs to be prepared for the possibility of resolution, while (some of) the procedures need to be used. (It is true that the procedures must be prepared before they can be used, but “developed” would be a better verb, and having procedures in place necessarily entails their development, which does not need to be mentioned.) Therefore, consider the following edit:</p> <p>12.3 The supervisor and/or resolution authority has in place effective processes and procedures for use in preparing for and conducting the resolution as of insurers.</p>	Revised the text accordingly.
44	International Actuarial Association (IAA)	International	This is difficult to read as it starts with “supervisor and/or resolution authority” but 12.3.4 and 12.3.5 are written for insurers. The IAA prefer the old sentence which is also used in 12.4.6 for a similar requirement.	The new wording puts more responsibility on the supervisor and/or resolution authority. However, this does not mean that in the guidance under ICP 12.3 insurers should not be expected to provide information/support.
Comments on proposed changes to ICP guidance 12.3.1				
45	The Geneva Association	International	<ul style="list-style-type: none"> The guidance includes the sentence “It should entail the establishment of strategies and actions for effectively resolving an insurer if it becomes necessary while minimising the impact on policyholders, financial stability, the real economy and 	First bullet point: In principle, the resolution objectives are equally important, but the concrete application/weighting will depend on the specific case at hand.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>taxpayers.” It is unclear whether these goals are all equally important or whether there is a ranking among them. In our view, they should all be equally important, and we ask for this to be clarified.</p> <ul style="list-style-type: none"> • In light of the general comment to minimise the burden on firms, the last sentence should include a reference to the proportionality principle and specify that in return the company is informed of the resolution strategy: “The supervisor and/or resolution authority should involve the insurer, as appropriate and in a proportionate manner, and communicate to the insurer the main elements of the resolution strategy contained in the resolution plan”. 	Second bullet point: See responses to Comments 4 and 21.
46	APCIA	USA	<p>APCIA suggests that the third sentence of ICP guidance 12.3.1 be changed to make it clear that the need for a resolution plan results from the application of the jurisdiction’s established criteria. We suggest that the sentence be changed to read as follows:</p> <p>“Such actions include being able to put in place a resolution plan for an insurer for which application of the jurisdiction’s established criteria has determined that a resolution plan is necessary (see Standard 12.4) and may also entail”</p>	Since the third sentence of guidance of ICP 12.3.1 already contains a references to standard 12.4, it is not necessary to refer explicitly in guidance of ICP 12.3.1 to the established criteria.
47	General Insurance Association of Japan	Japan	We support that the supervisor and resolution authority have in place processes and procedures for resolution at the jurisdictional level.	Noted.

	Organisation	Jurisdiction	Comment	Resolution of comment
48	Monetary Authority of Singapore	Singapore	Please provide more clarity on this part of ICP 12.3.1 “entail preparing to resolve certain types of insurers that have common characteristics or offer similar services.” Is IAIS referring to resolving insurers that have critical functions if these insurers are assessed to be non-viable or likely to be non-viable?	That is intended to make it possible to prepare one resolution plan for a subset of similar insurers.
49	Institute of International Finance (IIF)	USA	The guidance in Section 12.3.1 should direct supervisors to involve the insurer in establishing any necessary processes and procedures for resolution. The words ‘as appropriate’ in the last sentence of this Section should be deleted. In the rare event that the resolution of an insurer is necessary, the success of the resolution plan and the minimization of adverse policyholder impacts will depend on close coordination among the group supervisor, the CMG, if one exists, and any involved resolution authorities and/or PPS administrators.	First issue: The words ‘as appropriate’ allow for flexibility for the supervisor and/or resolution authority, especially because not all insurers are necessarily subject to a resolution plan. Second issue: See response to Comment 2.
50	Insurance Europe	Europe	In light of the general comment to minimise the burden on firms, the last sentence should include a reference to the proportionality principle and specify that in return the company is informed of the resolution strategy, “The supervisor and/or resolution authority should involve the insurer, as appropriate and in a proportionate manner, and communicate to the insurer the main elements of the resolution strategy contained in the resolution plan”. In addition, the authorities should primarily use information that is already available to them as part of	Regarding proportionality principle: Proportionality is already an overarching principle, which does not need to be repeated in the guidance of ICP 12.3. Regarding information to the insurer: See responses to Comments 4 and 21 Regarding use of information: The overarching proportionality principle ensures that any request for information to an insurer is proportionate, which should take into account whether the information is already available through a different source.

	Organisation	Jurisdiction	Comment	Resolution of comment
			the regular reporting system of the insurance companies.	
51	Global Federation of Insurance Associations (GFIA)	Global	<p>In light of the need to minimise the burden on firms, the last sentence should include a reference to the proportionality principle and specify that in return the company is informed of the resolution strategy, “The supervisor and/or resolution authority should involve the insurer, as appropriate and in a proportionate manner, and communicate to the insurer the main elements of the resolution strategy contained in the resolution plan”.</p> <p>In addition, the authorities should primarily use information that is already available to them as part of the regular reporting system of the insurance companies.</p>	See responses to Comments 4, 21 and 50.
52	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>The aim of the processes and procedures includes making firms better prepared as well as making the jurisdiction better prepared – see 12.3.4, 12.3.5, and the final sentence of 12.3.3. Also, “processes and procedures” are plural. Therefore, consider the following edits:</p> <p>12.3.1: Resolution processes and procedures are aimed at supporting the resolution preparedness of a jurisdiction and of insurers within that jurisdiction. They should entail the establishment of strategies</p>	Revised the text accordingly.
53	International Actuarial Association (IAA)	International	In general, it is not possible to minimize the impact on all stakeholders simultaneously so the IAA suggests	Para 1: The text of ICP 12.3.1 is sufficiently clear. In principle, the resolution objectives

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>adding to the second sentence “as far as possible, recognising that there will probably need to be some trade-offs between different stakeholders”</p> <p>Also 12.3.1-3 speaks of “processes and procedures” and 12.3.4-5 of “procedures”. Why the difference? The terms processes and procedures can be confusing because there always needs to be a process in place to execute a procedure.</p>	<p>are equally important, but the concrete application/weighing will depend on the specific case at hand.</p> <p>Para 2: Revised the text to add ‘processes and’ in front of ‘procedures’ in ICPs 12.3.4 and 12.3.5.</p>
Comments on proposed changes to ICP guidance 12.3.2				
54	APCIA	USA	<p>APCIA notes that, in the U.S., holding companies are resolved by a federal system of laws (U.S. Bankruptcy Code) and through the Federal Bankruptcy Courts. That insurance holding companies are not generally resolved by state insurance supervisors may be unique to the U.S., but other jurisdictions may also have certain powers that are held outside the realm of the jurisdictional insurance authority, and which may be relevant in resolution. Therefore, we recommend the following change in the second sentence of ICP guidance 12.3.2 continue with an additional phrase that would refer more inclusively to all powers and authorities in the jurisdiction that may apply in the resolution of an insurance group. It would thus read as follows:</p> <p>“The options used may vary based on the insurer’s activities, nature, scale and complexity, the resolution scenario and the resolution powers available to the supervisor and/or resolution authority, as well as other powers that may exist in other non-insurance</p>	<p>Even though the revised ICP 12.3.2 does not exclude that powers of other relevant authorities are taken into account, but it would also not harm to make this explicit. Added the separate sentence in ICP 12.3.1 in consideration of the suggestion.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			authorities in the jurisdiction that may relate to resolution of certain parts of an insurance group (e.g., holding companies) (see ICP 12.8)	
55	Institute of International Finance (IIF)	USA	With respect to Section 12.3.2, it should be noted that it can be extremely difficult for supervisors to identify in advance options for resolving all or part of an insurer (or certain types of insurers). The need for resolution can arise from a wide range of circumstances and resolution planning is conducted in a dynamic and fluid environment subject to a wide range of internal and external factors, including rapidly changing valuations.	Noted.
56	Insurance Europe	Europe	As this section relates to the preparation for resolution, the language around the resolution options being considered should be clearer, "The options [remove 'used' and replace by 'being considered in resolution planning'] may vary based on the insurer's activities,.....". -> Sentence becomes: "The options being considered in resolution planning may vary based on the insurer's activities,.....".	Revised the text as below: 'The options used considered ...'
57	Global Federation of Insurance Associations (GFIA)	Global	As this section relates to the preparation for resolution, the language around the resolution options being considered should be clearer. GFIA therefore suggests making the following change: "The options [remove 'used' and replace by 'being considered in resolution planning'] may vary based on	See response to Comment 56.

	Organisation	Jurisdiction	Comment	Resolution of comment
			the insurer's activities,....." -> Sentence becomes: The options being considered in resolution planning may vary based on the insurer's activities,.....".	
Comments on proposed changes to ICP guidance 12.3.3				
58	The Geneva Association	International	Resolution authorities should be very cautious about requiring companies to take actions to mitigate potential risks in a hypothetical scenario which could cause actual harm on a going concern basis to the company's operations, business, customers and investor relationships, etc. Therefore, we urge the IAIS to revert to the previous wording ("prepare contingency plans") instead of "takes steps to mitigate the risk".	Noted. However, 'as appropriate' provides sufficient framing to ensure that taking steps is not required lightly.
59	APCIA	USA	APCIA is concerned that the text suggests that an insurer would be required to take action to mitigate risks which may be only hypothetical in nature, i.e., they "could" impact achieving the jurisdictions resolution objectives regardless of the likelihood of a material impact. We believe the text could be improved by making clear that such risks must be reasonably foreseen as materially impacting the jurisdiction's resolution objectives. In other words, if there is an assessment that the likelihood of a potential concern manifesting itself is greater the potential impact of which would also be greater, than the greater the need for the insurer to take action to mitigate that risk. We are also concerned that the reference to PPS in	Para 1: See response to Comment 58. Para 2 - 3: See response to Comment 2.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>this section of guidance is one of only few such references. Further, it posits only the possibility that a PPS might be a risk in and of itself. Nowhere in the ICP are the potential benefits of a comprehensive and reliably proven PPS considered whether those benefits are such that they could preclude the necessity of a recovery plan at all or otherwise result in tempering the extent of supervisory requirements to be applied. We recognize that there is wide variation in the nature, extent and coverage of PPS across various jurisdictions. In the U.S., for example, state guaranty funds have a long history of contributing to the successful resolution of many insurers.</p> <p>APCIA believes that ICP 12 would be remiss if no mention was made of the many substantial benefits an effective PPS that exists in a jurisdiction can provide to the resolution process.</p>	
60	Insurance Europe	Europe	<p>Insurance Europe proposes to delete 12.3.3 or to revert to the previous wording: “prepare contingency plans” instead of “takes steps to mitigate the risk”.</p> <p>Resolution authorities should be very cautious about requiring companies to take action to mitigate potential risks in a hypothetical scenario which could cause actual harm to the company’s operations, business, customers and investors relationships, etc.</p> <p>In addition, the wording on specific risks to each insurer is vague and is duplicative of other</p>	<p>Para 1 - 2: See response to Comment 58.</p> <p>Para 3: We do not agree that the wording is vague, as the text just indicates that risks</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			requirements in the ICP (e.g. data requirements are included in 12.4.6).	may be specific to an insurer's circumstances.
61	FWD Group	Hong Kong	<p>We suggest that it would be helpful if the IAIS could clarify whether an insurer having an existing resolution plan would be sufficient in satisfying the requirement for an insurer to take steps to mitigate risks that could arise in resolution.</p> <p>In our view, it may be premature to require insurers to take any current action (in addition to having a resolution plan) to mitigate a risk in the event of a resolution, particularly if the probability of resolution is remote and it is uncertain what resolution tool will be used by the authorities.</p>	A resolution plan for an insurer does not necessarily mean that it does not need to take steps to mitigate risks in resolution, as a resolution plan could identify a legal or operational obstacle to resolution that needs mitigation. The authority will need to determine whether it is appropriate (proportionate) for the insurer to mitigate the risk/obstacle.
62	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA would propose deleting 12.3.3.</p> <p>Resolution authorities should be very cautious about requiring companies to take actions to mitigate potential risks in a hypothetical scenario which could cause actual harm on a going concern basis on the company's operations, business, customers and investors relationships, etc.</p> <p>In addition, the wording on specific risks to each insurer is vague and is duplicative of other requirements in the ICP (e.g. data requirements are included in 12.4.6).</p>	See response to Comment 60.
63	International Actuarial Association (IAA)	International	The IAA suggest changing "arise" to "crystallise" in the first sentence.	No change to "crystallise" as we believe "arise" is fine.

	Organisation	Jurisdiction	Comment	Resolution of comment
			Also, it is not clear why “may” is used in the first sentence and “should” is used in the last sentence? The IAA thinks that “should” in both sentences would be better. Moreover, in the last sentence it should say “mitigate the risks”.	‘May’ is used in the first sentence, because it is not certain that risks will be identified. However, if a risk is being identified, it should be mitigated. On the last point, we changed to “mitigate the risks” as suggested.
Comments on proposed changes to ICP guidance 12.3.4				
64	The Geneva Association	International	When it comes to providing ‘necessary information’ pertaining to policyholders, it is important that potential data privacy issues are carefully considered.	Noted.
65	Swiss Insurance Association (SIA)	Switzerland	According to the chapter “Introduction and Assessment Methodology”, section “Applicability” of the ICP, the standards apply to the supervision of insurance companies (and groups). In contradiction to this, the newly proposed paragraph 12.3.4 applies directly to insurers. The language should therefore be adapted as follows: “The supervisor should require insurers to have procedures in place to ...”	The existing wording is fine. First, this is guidance, not standards. Second, we use this type of wording throughout guidance of the ICPs. While addressed to the insurer, these are things supervisors consider when reviewing, assessing or requiring of insurers. If SIA’s proposed approach was taken every time guidance referred to insurers it would be very repetitive and come across very prescriptive.
66	International Actuarial Association (IAA)	International	It could be that the circumstances giving rise to a resolution situation could make access to the necessary information difficult so the IAA suggest that the “procedures” should include appropriate (and regular) back-up of such information.	Noted.
Comments on proposed changes to ICP guidance 12.3.5				

	Organisation	Jurisdiction	Comment	Resolution of comment
67	The Geneva Association	International	This guidance asks insurers to prospectively evaluate their specific operations and risks in possible resolution scenarios and to have procedures available for use during resolution. This is not appropriate, as recovery plans are usually made by insurers and resolution plans are made by supervisors or resolution authorities. While the supervisor/resolution authority can ask for data from the insurer to develop the resolution plan, the scenarios are developed by the supervisor/resolution authority. The current phrasing gives the impression that, in parallel to the plan of the resolution authority, there also needs to be a resolution plan at the insurer level. We ask the IAIS to clarify the intent of this guidance and what is meant by “procedures available for use during resolution”.	The guidance just aims to ensure that insurers are to an extent prepared for a situation of resolution, for example having a clear governance structure in place.
68	APCIA	USA	<p>APCIA is concerned that this section of guidance is very open ended, referring simply to “risks” (All risks? Regardless of materiality?), to “possible resolution scenarios” (All scenarios? How many? Which ones?) and that the insurer somehow have procedures available to address all of them. We recommend the text reference risks that are relevant and material to the subject insurer/group, and that scenarios selected be relevant in the context of those material risks and plausible as to their ability to reflect resolution.</p> <p>It would also be appropriate to caution readers that there are inherent limitations in devising scenarios for resolution planning purposes. Should a problem manifest itself which would cause the insurer to be placed in resolution, it will likely differ in some</p>	<p>Noted. We think that “risks in resolution scenarios” denotes those risks that could lead to resolution, and thus does not refer to “all risks;” further, we think “resolution scenarios” is self-explanatory and allows for jurisdictional discretion/judgment.</p> <p>Resolution plans by their very nature cannot cover every scenario and may differ to the manner in which it is effectively implemented.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			respects, if not materially, from the scenarios that were incorporated in the resolution planning process. Moreover, in times of stress, group supervision will have its own limitations; jurisdictions will likely be primarily concerned with protecting their own insureds and possibly take actions (e.g., ring-fencing) that may work against the interests of the creditors of the group taken as a whole. While there is the desire for host supervisors to act cooperatively with the group supervisor, political and economic pressures at the jurisdictional level will inevitably come into play. We believe the ICP should somehow acknowledge this very real phenomenon of competing interests of legal entity and group-wide supervisors in times of stress.	
69	Swiss Insurance Association (SIA)	Switzerland	According to the chapter “Introduction and Assessment Methodology”, section “Applicability” of the ICP, the standards apply to the supervision of insurance companies (and groups). In contradiction to this, the paragraph 12.3.5 applies directly to insurers. The language should therefore be adapted as follows: “The supervisor should evaluate prospectively...”	See response to Comment 44. In the IAIS Glossary, “Insurer” means either an insurance legal entity or insurance group. Further, the involvement of the insurer in the resolution planning process is noted throughout ICP 12.
Comments on proposed changes to CF 12.3.a				
70	Assuris (Canada)	Canada	We recommend that PPS be included in the information sharing requirements. In some jurisdictions, such as Canada, the PPS is a key part of the resolution framework, which includes a court-appointed restructuring professional, and has a critical role in resolving a failed insurer, though it may not qualify as a “resolution authority” under the IAIS	See response to Comment 2.

	Organisation	Jurisdiction	Comment	Resolution of comment
			terms. Even where there is a clear distinction between the resolution authority and the PPS, we believe that it is critical that there be effective and timely information sharing between the resolution authority and the PPS to facilitate an orderly resolution, since the PPS is often the main funder of the resolution.	
71	The Geneva Association	International	The development of a dedicated groupwide management information system for the purpose of resolution seems disproportionate. Instead, setting up a process to obtain the desired information as quickly as possible seems more appropriate. Also, the ComFrame standard refers to the ability to produce information on a timely basis. As insurers are unlikely to become insolvent overnight, and so the speed at which this happens is different compared to banks, we would suggest that the phrase “on a timely basis” be removed.	Noted. The wording is that “have and maintain group-wide management information systems (MIS) that are able to produce information on a timely basis”, does not imply that the MIS should provide information for resolution purposes only. The term “on a timely basis” is sufficiently broad and does imply that the information should be immediately available.
Comments on proposed changes to CF 12.3.a.1				
Comments on proposed changes to CF 12.3.a.2				
Comments on proposed changes to CF 12.3.a.3				
Comments on proposed changes to ICP 12.4				
72	Assuris (Canada)	Canada	We recommend that the term “resolution plan” be replaced with “resolution planning” or “resolution strategies”. We do not believe that a resolution plan, which can become a static document that is limited to addressing a narrow range or scenarios which can be	Noted. Resolution planning is a verb, whereas resolution plan is a deliverable. CF 12.4.a.4 states “Resolution plans should be reviewed on a regular basis, or when there are material changes to the IAIG’s business

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>very quickly stale dated, is as effective as an ongoing process of resolution planning that is designed to create a shared understating of issues in resolution and identification of a range or strategies for addressing these issues depending on the circumstances of the failure. We note that the FDIC in its April 2024 report on Dod-Frank Title II Resolution indicate that a resolution planning process is of the utmost importance for effective management of resolution risk. A resolution plan can only be effective if it is supported by an ongoing process of resolution planning involving all relevant regulatory and resolution stakeholders, as well as robust internal governance processes at the institution in question. We strongly recommend that the language in the ICP be more explicit about this necessary support to help supervisors better appreciate the work necessary to support a resolution plan and avoid supervisors and institutions being satisfied with a static, once and done plan. We note that s. 16.16 on recovery planning includes the following language in the third bullet point: “The development of a recovery plan is pre-emptive in nature. It should be developed during business as usual, in advance of any severe stress.” We strongly endorse advance planning during business as usual and recommend that similar language be incorporated into ICP 12.4.</p>	<p>or structure or any other change that could have a material impact on the resolution plan, and be updated when necessary”.</p>
73	The Geneva Association	International	<ul style="list-style-type: none"> • In light of the general comment on public interest, we suggest to modify the first indent as follows: “has a process to regularly assess for which insurers having a resolution plan is necessary, based on an 	<p>Para 1: Noted. We think that a public interest test sets a bar too high to incorporate smaller insurers.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>assessment of the public interest of resolution in case of failure as well as established criteria that consider the nature, scale and complexity of the insurer”;</p> <ul style="list-style-type: none"> • In light of the general comment on the responsibility of the resolution authority to draw the plan, on public interest and the articulation between solo and group, we suggest to modify the second indent as follows: “[remove] requires draws, at a minimum [end/remove], resolution plans for any insurer(s) assessed to be systemically important or critical and [text to be added] for which resolution is likely to be in the public interest [end/ added text] if it fails, [text to be added] unless a group plan already exists [end/ added text]”; • In light of the general comment on the responsibility of the resolution authority to draw the plan, we suggest to modify the third indent as follows: [remove] “ensures that such resolution plans are in place, which are regularly reviewed and where necessary updated, and resolvability assessments are regularly undertaken [end/ remove] [text to be added] undertakes resolvability assessments and performs review and where necessary update of the resolution plans every three years or more regularly after a major event affecting the insurers concerned.” [end/ added text] • In light of the general comment on the two-way communication line, we suggest to add the following: “communicates to the insurers a reasoned justification of the necessity to draw a resolution plan.” 	<p>Para 2: See responses to Para 1 above and Comment 4.</p> <p>Para 3: Noted; it is a bit too prescriptive.</p> <p>Para 4: Noted.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<ul style="list-style-type: none"> The wording of ICP 12.4 goes beyond the content of the holistic framework and applies to a broader range of insurers (not only those that are globally systemically important). In addition, the proposed changes introduce the concept of criticality, so moving away from just the concept of systemic (which is core to the key attributes). In addition, we oppose the IAIS proposal to significantly expand the scope of resolution beyond the scope of the key attributes, such as through the “minimum share” concept. <p>The phrase “requires, at minimum, resolution plans for any insurer(s) assessed to be systemically important or critical if it fails [...]” is reminiscent of the G-SII era, though implemented through a different mechanism.</p>	<p>Para 5: Noted. The KAs also rely on critical functions in determining systemicity.</p> <p>Para 6: Noted.</p>
74	APCIA	USA	<p>In as much as the Holistic Framework embraces an activities-based approach to the assessment of systemic risk, APCIA believes that ICP 12.4 should similarly embrace such an approach. While “activities” might be implicitly considered as part of the “nature” of an insurer, we would prefer that an activities-based assessment be more explicitly stated. Thus, we recommend the first bullet of ICP 12.4 be revised to also refer to the activities of the insurer. It would thus read as follows:</p> <p>“has a process to regularly assess for which insurers having a resolution plan is necessary, based on established criteria that consider the nature, scale, activities and complexity of the insurer;</p>	<p>Para 1: We do not add “activities” as “nature” incorporates “activities.”</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>We also note that the second bullet of ICP 12.4 includes the criteria of “.... critical if it fails.” The IAIS does not actually use that phrase in the definition of systemic risk in ICP guidance 24.0.4. The phrase begs questions such as “critical to whom” and “how critical” which are not addressed elsewhere in the ICPs. It also poses a hypothetical (“if it fails”) without any indication of how likely it may be that the insurer may fail. Our preference would be to rely on the existing language of ICP 24 and not introduce new and potentially conflicting or confusing terms. Therefore, we recommend that the second bullet of ICP 12.4 be changed to read as follows: “requires, at a minimum, resolution plans for any insurer(s) assessed to be systemically important consistent with ICP 24 ; and”</p> <p>Finally, and as an editorial comment, we suggest a change to the third bullet of ICP 12.4 as we believe the intent is for this phrase to apply to the insurers that are identified as a result of application of the two prior bullets (and which would be more consistent with the phrasing in ICP 16.16). It would thus read as follows: “ensures that resolution plans are in place for such insurers, which are regularly reviewed and where necessary updated, and resolvability assessments are regularly undertaken.”</p>	<p>Para 2: Noted. We retain “critical if it fails” to capture insurers that are not systemically important, but still will have a critical impact on the real economy in case of failure, as well as to align with the FSB KAs. Also, ICP 12.4.4 clarifies the meaning of ‘critical if it fails’. See also response to Comment 100.</p> <p>Para 3: Revised the text accordingly with some changes.</p>
75	General Insurance Association of Japan	Japan	In conducting resolvability assessments, we believe it is important to determine content and frequency	Noted.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>through prior communication between the supervisor and insurers within its jurisdiction. Sufficient lead time should be ensured when requesting information from insurers.</p> <p>As we have explained in our answer to Q2, from the perspective of fully considering the characteristics of each jurisdiction and insurer, it is inappropriate for the IAIS to uniformly prescribe requirements for the development of supervisory policy measures, including the requirement to develop a resolution plan.</p>	
76	Swiss Insurance Association (SIA)	Switzerland	<p>There should be no automatic requirement for an IAIG or other insurers to establish resolution plans. A robust risk-assessment is needed. The guiding principle for resolution plans should be that no plans are required at the solo level when plans already exist at the group level, with major entities adequately accounted for. Furthermore, in times of crises, supervisors, and resolution authorities, must cooperate to ensure the best possible outcomes for policyholders, creditors, and the broader financial system.</p> <p>Additionally, according to the definition by the FSB “systemically significant or critical” refers to a circumstance where a failure of an insurer could lead to a disruption of services critical for the functioning of the financial system or real economy (c.f. FSB “Key Attributes Assessment Methodology for the Insurance Sector”, 2016). SIA therefore suggest deleting the</p>	<p>Para 1: Noted.</p> <p>Para 2: See response to Comment 74.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			wording regarding critical failure, as it already is part of the definition of systemic importance.	
77	American Council of Life Insurers	USA	<p>ACLI suggests replacing the top three bullets with the following two bullets:</p> <p>The supervisor and/or resolution authority:</p> <ul style="list-style-type: none"> • has a process that involves an activities-based risk assessment that uses established criteria, defined by standards or guidelines developed by the supervisor and/or resolution authority, to regularly assess if an insurer should be required to collaborate with a supervisor or resolution authority on a resolution plan; and • ensures that such resolution plans are in place if required, are regularly reviewed and where necessary updated, and resolvability assessments are regularly undertaken. 	The assessment of the need for a resolution plan is not only “activity”-based, adding that would limit the assessment too much. Also, removing the second bullet (“requires, at a minimum... systemically important or critical if it fails”) would mean that there would be no minimum requirement for having resolution plans (not even for systemically important insurers).
78	Insurance Europe	Europe	<p>In light of the general comment on public interest, it is suggested to modify the first indent as follows, “has a process to regularly assess for which insurers having a resolution plan is necessary, based on an assessment of the public interest of resolution in case of failure, as well as established criteria that consider the nature, scale and complexity of the insurer;”</p> <p>In light of the general comment on the responsibility of the resolution authority to draw the plan, on public interest and the articulation between solo and group, it is suggested to modify the second indent as follows, “[remove 'requires'] draws [remove ', at a minimum,']</p>	See response to Comment 73.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>resolution plans for any insurer(s) assessed to be systemically important or critical and for which resolution is likely to be in the public interest if it fails, unless a group plan already exists;" -> sentence becomes: "draws resolution plans for any insurer(s) assessed to be systemically important or critical and for which resolution is likely to be in the public interest if it fails, unless a group plan already exists;"</p> <p>In light of the general comment on the responsibility of the resolution authority to draw the plan, it suggested to modify the third indent as follows, "[remove 'ensures that such resolution plans are in place, which are regularly reviewed and where necessary updated, and resolvability assessments are regularly undertaken'] undertake resolvability assessments and performs review and, where necessary, update the resolution plans every three years or more regularly after a major event affecting the insurers concerned." -> Sentence becomes: "undertake resolvability assessments and performs review and, where necessary, update the resolution plans every three years or more regularly after a major event affecting the insurers concerned."</p> <p>In light of the general comment on the two-way communication line, suggestion to add the following, "communicates to the insurers a reasoned justification of the necessity to draw a resolution plan."</p>	

	Organisation	Jurisdiction	Comment	Resolution of comment
79	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA suggests replacing the top three bullets with the following two bullets:</p> <p>The supervisor and/or resolution authority:</p> <ul style="list-style-type: none"> • has a process that involves an activities-based risk assessment that uses established criteria, defined by standards or guidelines developed by the supervisor and/or resolution authority, to regularly assess if an insurer should be required to collaborate with a supervisor or resolution authority on a resolution plan; and • ensures that such resolution plans are in place if required, [remove 'which'] are regularly reviewed and where necessary updated, and resolvability assessments are regularly undertaken. 	See response to Comment 77.
80	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>The syntax “to regularly assess for which insurers having a resolution plan is necessary” is difficult to follow, and the construction of the third bullet is not fully parallel. Consider the following nonsubstantive edits to the first and third bullets:</p> <p>has a process to regularly assess which insurers need to be subject to a resolution plan requirement, based on established criteria that consider the nature, scale and complexity of the insurer;</p> <p>...</p> <p>ensures that such resolution plans are in place, that the plans are regularly reviewed and where necessary updated, and that resolvability assessments are regularly undertaken.</p>	Accepted. Revised the text accordingly with some changes.

	Organisation	Jurisdiction	Comment	Resolution of comment
81	International Actuarial Association (IAA)	International	The IAA agrees that it is important for the supervisor and/or resolution authority to assess regularly which insurers should have a resolution plan.	Noted.
Comments on proposed changes to ICP guidance 12.4.1				
82	The Geneva Association	International	<ul style="list-style-type: none"> • The assessment leading to resolution planning should be thorough, objective and balance benefits and costs for all stakeholders. Therefore, the first sentence should be revised as follows: “When deciding for which insurers a resolution plan is necessary, the criteria should [remove] consider [end/ remove] balance at least the following factors [remove] such as [end/ remove]” • Some criteria are too open-ended and could lead to inconsistent assessments. Please specify in particular “the insurer’s interconnectedness with the financial sector; and/[suggestion for removal] or [end/ remove]” and “the insurer’s impact of failure on the financial system.” • In light of our response to question 14, please add another paragraph as follows: “The relevant authorities should only consider drawing a resolution plan when it is likely that resolution action would be in the public interest in the event of failure of the insurer concerned. Resolution actions are likely to be in the public interest where winding up under normal 	<p>Para 1: We think “consider” implies a balanced approach.</p> <p>Para 2: We want to leave as much room for jurisdictional judgment and discretion as practicable. Interconnectedness and impact of failure may extend beyond the financial sector/system.</p> <p>Para 3: See response to Comment 73 regarding public interest test.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>insolvency proceedings would not meet the resolution objectives to the same extent.”</p> <ul style="list-style-type: none"> • In light of point 14, please add another paragraph as follows: “The supervisor and/or resolution authority communicate the assessment of each factor used in the decision to draw a resolution plan as well as how they have been weighed to arrive to such decision”. • This guidance includes the sentence “The supervisor and/or resolution authority may also decide to require resolution plans for a minimum share of its insurance sector”. Pre-emptive resolution planning requirements should be limited to companies for which there is a real need and a tangible benefit. This can be achieved by applying the criteria outlined in § 12.4.1 and by disregarding any minimum market shares that would be chosen arbitrarily. In addition, the wording is confusing. Resolution plans are developed by supervisors/resolution authorities. The question here is, whom are the resolution authorities requiring resolution plans from? Is the intent of the text to address recovery plans, which are developed by insurers? 	<p>Para 4: See response to Comment 73.</p> <p>Para 5: See response to Comment 11.</p>
83	APCIA	USA	<p>We consider it appropriate that, in its drafting of this section, ICP guidance 12.4.1 suggests criteria that the jurisdiction should consider without mandating that any one of those criteria be in place, and without excluding the possibility that the jurisdiction may</p>	<p>Para 1: Noted.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>consider and adopt other criteria. In other words, the criteria in a jurisdiction will be determined by that jurisdiction and in a manner that is appropriate for that jurisdiction.</p> <p>That said, APCIA believes it would be helpful to highlight some other criteria for jurisdictions to consider. Those include (1) the insurer's likelihood of failure, and (2) the extent to which the insurance liabilities of the insurer may be covered by effective and proven jurisdictional PPS.</p> <p>APCIA would also oppose the introduction of a requirement for a minimum market share to be covered by resolution plans. Justification for this proposal is not provided, and it introduces an element of arbitrariness as to the selection of a market share level. Furthermore, it is in contradiction to the approach suggested in ICP 12.4 (i.e., to assess the requirement for resolution plans using established criteria.</p>	<p>Para 2: We do not believe that "likelihood of failure" should necessarily factor into the decision to require a resolution plan as it is too subjective and difficult to predict; further, as not all jurisdictions have a PPS, it is inappropriate to include as a criteria.</p> <p>Para 3: See response to Comment 11.</p>
84	General Insurance Association of Japan	Japan	<p>The likelihood of an insurer's failure should be included in the factors to be considered. We suggest revising the second bullet point, as follows: "the insurer's risk profile, solvency and risk management mechanisms".</p> <p>While ICP Guidance 12.4.1 and 16.16.2 state "The supervisor and/or resolution authority may also decide to require resolution plans for a minimum share of its insurance sector", we would appreciate clarification</p>	<p>Para 1: See response to Comment 83.</p> <p>Para 2: See response to Comment 11.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			on exactly what the "minimum share of its insurance sector" is. In addition, if there is any background behind the introduction of this phrase, we would appreciate your sharing it.	
85	Institute of International Finance (IIF)	USA	The criteria contained in Section 12.4.1 with respect to resolution plans and Section 16.16.2 with respect to recovery plans mirror the former EBA criteria for determining whether an insurer could be systemically important. The use of these outdated criteria is not consistent with a holistic approach to the mitigation of systemic risk in the insurance sector. Rather, a flexible and proportionate approach that takes a 'whole of business' view of the insurer, its activities and available risk mitigants would better allow for a determination of the extent to which the company should engage in resolution planning or develop a formal plan. The suggestion that resolution plans could be required for all insurers, a minimum share of the jurisdiction's insurance sector, or for all IAIGs promotes an arbitrary approach that is not consistent with a holistic, risk-based and proportionate approach to systemic risk.	Noted. The current text of the guidance lists certain criteria that can be considered but still allows for the suggested holistic approach.
86	Swiss Insurance Association (SIA)	Switzerland	The criteria proposed are sensible. The alternative approach based on "market shares" is however not reflective of a risk-based assessment; market shares do not reflect concentrations in each market. We do not support this approach. Depending on the size of the insurance sector of a jurisdiction, this could lead to a resolution plan to be drawn up for a small insurer in the global or regional context when a mid- to large	See response to Comment 11.

	Organisation	Jurisdiction	Comment	Resolution of comment
			insurer in a large jurisdiction may not be required to do so. Therefore, the last sentence of the guidance should be deleted.	
87	American Council of Life Insurers	USA	<p>ACLI suggests deleting this entire section since RRP supervisory requirements for an insurer would be better placed in jurisdictional supervisory standards or guidance instead of in ICPs.</p> <p>If the IAIS retains 12.4.1, the text ought to reflect greater flexibility for jurisdictional supervisors. As such, the language introducing the factors should be changed from “the criteria should consider factors” to “the criteria may consider factors” and additional factors should be added, such as “the insurer’s likelihood of failure” and “a cost/benefit analysis of a resolution plan”.</p> <p>When determining when a supervisor should engage with an insurer for either resolution or recovery planning, we agree that supervisor(s) can leverage existing ERM frameworks, ORSAs, capital and liquidity regimes, and the myriad of other available supervisory tools to perform an activities-based risk assessment. We also agree that some of the criteria in the assessment should be specific to an insurer’s circumstances and with the use of the following general criteria such as:</p> <ul style="list-style-type: none"> • complexity, size, activities and its lines of business • risk profile and risk management mechanisms • level of substitutability of the insurer’s activities or business lines 	<p>Para 1: Noted.</p> <p>Para 2: See response to Comment 90; we believe that the consideration of factors is critical, and therefore “should” be done, rather than the option that “may” suggested.</p> <p>Para 3: We would expect that the supervisor/resolution authority would take the existing circumstances/documentation into account. See also response to Comment 83.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<ul style="list-style-type: none"> • complexity of the insurer's structure, including the number of jurisdictions in which it operates • interconnectedness • likelihood of the insurer's failure • impact of the insurer's failure • number of policyholder's impacted • services or operations are significantly relied upon and cannot be substituted with reasonable time and cost • causing a systemic disruption or a loss of general confidence in the insurance sector • cost/benefit analysis of a resolution or recovery plan 	
88	The Life Insurance Association of Japan	Japan	<p>-The LIAJ believes the proposal to include market share standard as a potential factor to decide which insurers a resolution plan is necessary should be reconsidered.</p> <p>-Insurers for which a resolution plan is necessary should be determined by risk-based criteria. The size of the insurer's market share does not necessarily correlate with the size of its risks, and for that reason, the proposed criteria regarding market share may not be appropriate.</p> <p>-Should IAIS continue to keep the criteria based on the size of the insurer's market share, the proposed statement "the supervisor and/or resolution authority may also decide to require resolution plans for a minimum share of its insurance sector" could potentially be interpreted as a request for the supervisor and/or resolution authority to require</p>	<p>Para 1 - 2: See response to Comment 11.</p> <p>Para 3: ICPs 12.3 and 12.4 provide for the inclusion of the insurer in the process.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			insurers to develop resolution plans, while the responsibility for developing resolution plans lies with supervisor and/or resolution authority. Thus, the LIAJ believes that the IAIS should refrain from using expressions that could imply that the insurers are responsible for developing resolution plans. For example, the terms “decide to require” in the proposed criteria could be replaced with “decide the necessity of”.	
89	Insurance Europe	Europe	<p>Insurance Europe oppose wording that introduces a requirement for a minimum market share and propose to delete it. No justification for this proposal is provided. Furthermore, it is in contradiction to the approach outlined in 12.4 (i.e. to assess the requirement for resolution plans using risk-based criteria).</p> <p>Requiring resolution plans from (large) proportions of each market will create unnecessary burdens for resolution authorities and insurers without commensurate benefits.</p> <p>In addition:</p> <ul style="list-style-type: none"> • The assessment leading to resolution planning should be thorough, objective, and balance the benefits and costs for all stakeholders. Therefore, the first sentence should be revised as follows, “When deciding for which insurers a resolution plan is necessary, the criteria should [remove 'consider' and add 'balance'] at least the following factors [remove 'such as']” -> Sentence becomes: “When deciding for which insurers a resolution plan is necessary, the criteria should balance at least the following factors”. 	<p>Para 1 - 2: See response to Comment 11.</p> <p>Para 3 - 6: See responses to Comments 73 and 82.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<ul style="list-style-type: none"> • Some criteria are too open-ended and could lead to inconsistent assessments. Please specify in particular, “the insurer’s interconnectedness with the financial sector; and [remove ‘/or’]” and “the insurer’s impact of failure on the financial system.” • In light of point 14, Insurance Europe proposes to add the following paragraph,: “The relevant authorities should only consider drawing a resolution plan when it is likely that resolution action would be in the public interest in the event of failure of the insurer concerned. Resolution action are likely to be in the public interest where winding up under normal insolvency proceedings would not meet the resolution objectives to the same extent.” • In light of point 14, Insurance Europe proposes to also add the following paragraph , “The supervisor and/or resolution authority communicate the assessment of each factor used in the decision to draw a resolution plan as well as how they have been weighed to arrive to such decision”. 	
90	State Secretariat for International Finance	Switzerland	We want to highlight that the proposition that a supervisor may also decide to require resolution plans for a minimum share of its insurance sector would not rule out that resolution plans be required also from insurers that do not fulfil any of the other, more risk-based, criteria suggested by IAIS.	Noted; correct.

	Organisation	Jurisdiction	Comment	Resolution of comment
91	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA suggests deleting this entire section since RRP supervisory requirements for an insurer would be better placed in jurisdictional supervisory standards or guidance instead of in ICPs.</p> <p>If the IAIS retains 12.4.1, the text ought to reflect greater flexibility for jurisdictional supervisors. As such, the language introducing the factors should be changed from, “the criteria should consider factors” to, “the criteria may consider factors” and additional factors should be added, such as, “the insurer’s likelihood of failure” and, “a cost/benefit analysis of a resolution plan”.</p> <p>When determining when a supervisor should engage with an insurer for either resolution or recovery planning, GFIA agrees that supervisor(s) can leverage existing ERM frameworks, ORSAs, capital and liquidity regimes, and the myriad of other available supervisory tools to perform an activities-based risk assessment. GFIA also agrees that some of the criteria in the assessment should be specific to an insurer’s circumstances and with the use of the following general criteria such as:</p> <ul style="list-style-type: none"> • complexity, size, activities and its lines of business • risk profile and risk management mechanisms • level of substitutability of the insurer’s activities or business lines • complexity of the insurer’s structure, including the number of jurisdictions in which it operates • interconnectedness • the impact of the insurer’s failure • number of policyholder’s impacted 	<p>See response to Comment 87.</p> <p>On the minimum market share, see response to Comment 11.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<ul style="list-style-type: none"> • services or operations are significantly relied upon and cannot be substituted with reasonable time and cost • causing a systemic disruption or a loss of general confidence in the insurance sector • the likelihood of the insurer's failure; and • a cost/benefit analysis of a resolution or recovery plan. <p>GFIA also strongly opposes the introduction of the wording for the requirement of a minimum market share. No justification for this proposal is provided. Furthermore, it is in contradiction to the approach outlined in 12.4 (i.e. to assess the requirement for resolution plans using risk-based criteria). Requiring resolution plans from (large) proportions of each market will create unnecessary burdens for resolution authorities and insurers without commensurate benefits.</p>	
92	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	Having guidance on factors that should be considered as part of the criteria in determining the necessity of a resolution plan or a recovery plan (in revised 16.16.2) is helpful. However, the same factors are listed in each section. While this makes some sense, a resolution plan and a recovery plan serve different purposes, so the consideration and analysis should not necessarily be the same. We therefore suggest adding a sentence either as part of 12.4.1 or as a new 12.4.2 to help emphasise this point: "When assessing the criteria to determine whether a resolution plan is necessary for an insurer, the supervisor and/or	Para 1: The comment is superfluous and is implied. Not necessary to make that insertion.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>resolution authority should keep in mind the intended purpose and role of a resolution plan as well as other requirements and/or powers that may already be applicable.”</p> <p>Also, for the reasons discussed in the comments on ICP guidance 12.4.1, consider one of the following edits to the introductory clause: 12.4.1 When developing the criteria for deciding which insurers will be subject to a resolution plan requirement, the supervisor and/or resolution authority should consider factors such as: or 12.4.1 The criteria to be used by the supervisor and/or resolution authority, when deciding which insurers will be subject to a resolution plan requirement, should address factors such as:</p> <p>Finally, edit the last bullet as follows: the impact of the insurer’s failure.</p>	<p>Para 2: Revised the text as suggested in the first option with some changes.</p> <p>Para 3: Revised the text accordingly.</p>
Comments on proposed changes to ICP guidance 12.4.2				
93	APCIA	USA	<p>To clarify and to be consistent with ICP guidance 12.4.1, APCIA recommends the following revisions to revising ICP guidance 12.4.2 to explicitly refer to ICP guidance 12.4.1, as follows:</p> <p>“The supervisor and/or resolution authority should also consider the factors such as those in ICP guidance 12.4.1 above when deciding on the</p>	Noted. We consider that the text is sufficiently clear.

	Organisation	Jurisdiction	Comment	Resolution of comment
			necessary level of detail of the plan, where a plan is required.”	
94	American Council of Life Insurers	USA	Consistent with previous comments in 12.4.1, ACLI suggests deleting this section.	Noted. This was added to clarify and detail the broad concepts used in ICP 12.4. Deleting would hinder this intention.
95	Global Federation of Insurance Associations (GFIA)	Global	Consistent with previous comments in 12.4.1, GFIA suggests deleting this section.	See response to Comment 94.
Comments on proposed changes to ICP guidance 12.4.3				
96	APCIA	USA	Consistent with our response to Question 14, APCIA agrees with ICP guidance 12.4.3 which simply refers to ICP 24 to for guidance on the assessment of systemic risk and without the risk of re-stating in that ICP 12 in possibly different and conflicting terms.	Noted.
97	American Council of Life Insurers	USA	Consistent with previous comments in 12.4, ACLI suggests deleting this section.	Noted. ICP 12.4.3 clarifies that systemic importance is a concept further detailed in ICP 24. This reference enables consistency with other ICPs and clearly frames the definition of the term ‘systemic importance’.
98	Global Federation of Insurance Associations (GFIA)	Global	Consistent with previous comments in 12.4, GFIA suggests deleting this section.	See response to Comment 97.
Comments on proposed changes to ICP guidance 12.4.4				

	Organisation	Jurisdiction	Comment	Resolution of comment
99	The Geneva Association	International	This guidance indicates that insurers are deemed critical, “if their failure is likely to have a significant impact on the financial system and/or the real economy’. The text should explicitly state that an insurer is considered critical only if its failure has a significant impact on both the financial system and the real economy. By design, any potential impacts on the real economy would be intermediated by an impact on the financial system.	An insurance failure could have impact on both or each separately depending on the type of insurance”.
100	APCIA	USA	APCIA suggests deleting ICP guidance 12.4.4. Since ICP guidance 12.4.3 refers to ICP 24 for guidance on the assessment of systemic risk, there should be no need to re-state that in ICP 12 in possibly different and conflicting terms. It appears that the IAIS may have included the text of ICP guidance 12.4.4 because it introduced the phrase “critical if it fails” earlier in the ICP. In that regard, please see our responses to questions 3 and 14; if ICP 12 simply references ICP 24, that new phrase would not be necessary, thus ICP guidance 12.4.4 would not be necessary to explain it.	We retain ICP 12.4.4 as it clarifies the meaning of “critical if it fails”, regardless of systemic importance. Also, one of the objectives of this revisions is to align more explicitly the ICP to the FSB KAs. See also response to Comment 74.
101	Swiss Insurance Association (SIA)	Switzerland	Consistent with previous comments (c.f. response to ICP 12.4), SIA suggest deleting the wording regarding critical failure, as it already is captured in the definition of systemic importance.	See response to Comment 100.
102	American Council of Life Insurers	USA	Consistent with previous comments in 12.4, ACLI suggests deleting this section.	See response to Comment 100.

	Organisation	Jurisdiction	Comment	Resolution of comment
103	Global Federation of Insurance Associations (GFIA)	Global	Consistent with previous comments in 12.4, GFIA suggests deleting this section.	See response to Comment 100.
104	Insurance Europe	Europe	The text should explicitly state that an insurer is considered critical if its failure has a huge impact on both. By design, any potential impact on the real economy would be intermediated by an impact on the financial system, “if their failure is likely to have a significant impact on the financial system and [remove ‘/or’] the real economy”.	See response to Comment 99.
Comments on proposed changes to ICP guidance 12.4.5				
105	International Actuarial Association (IAA)	International	The list given is not intended to be exhaustive, so it is suggested adding “inter alia” after “identify”.	Noted.
Comments on proposed changes to ICP guidance 12.4.6				
106	The Geneva Association	International	In light of the need for proportionality and the minimisation of the impact on all the insurers’ stakeholders on a going concern basis, please amend as follows: “For the purpose of the resolution plan, the supervisor and/or resolution authority should, where necessary and taking into account the proportionality principle: • require the insurer to submit necessary information for the development of the resolution plan while avoiding to request any information already reported elsewhere (“report only once” principle); and • [remove] where necessary [end/remove] upon a reasoned justification by the relevant authority, require the insurer to [remove] take [end/remove] consider prospective	The proportionality principle applies to the full set of ICPs and ComFrame as an overarching principle. Therefore, we consider that there is no need for additional specific references to proportionality.

	Organisation	Jurisdiction	Comment	Resolution of comment
			[remove] actions [end/ remove] contingency plans to improve its resolvability."	
107	Insurance Europe	Europe	<p>This requirement is duplicative as it is already required in the new wording in 12.4 (third bullet point) and should therefore be deleted.</p> <p>Alternatively, in line with the need for proportionality and minimising the impact on all the insurers' stakeholders , it the following amendment is proposed, "For the purpose of the resolution plan, the supervisor and/or resolution authority should, where necessary and taking into account the proportionality principle:</p> <ul style="list-style-type: none"> • require the insurer to submit necessary information for the development of the resolution plan whilst avoiding to request any information already reported elsewhere ("report only once" principle); and • [remove 'where necessary'] upon a reasoned justification by the relevant authority, require the insurer to [remove 'take' replace by 'consider'] prospective [remove 'actions' replace by 'contingency plans'] to improve its resolvability." -> Sentence becomes: "upon a reasoned justification by the relevant authority, require the insurer to consider prospective contingency plans to improve its resolvability." 	See response to Comment 106.
108	Global Federation of Insurance Associations (GFIA)	Global	This requirement is duplicative as it is already required in the new wording in 12.4 (third bullet point) and should therefore be deleted.	See response to Comment 106.

	Organisation	Jurisdiction	Comment	Resolution of comment
Comments on proposed changes to ICP guidance 12.4.9				
109	APCIA	USA	<p>The wording should be changed to say that the insurer “should” and not “may” be given the opportunity to address barriers to effective resolution.</p> <p>APCIA does not support the new wording in this section suggesting the supervisor can require the removal of barriers to resolution. The powers of resolution authorities are discussed in ICP12.8, where they are better described.</p>	<p>Para 1: Revised the text accordingly.</p> <p>Para 2: ICP 12.4.9 is about resolvability assessment and preoccupied by what happens before an actual resolution situation. On the other hand, the powers in ICP 12.8 are targeting the execution/application of resolution in an actual resolution.</p>
110	Insurance Europe	Europe	<p>The wording should be changed to say that the insurer “should” and not “may” be given the opportunity to address barriers to effective resolution.</p> <p>Insurance Europe does not support the new wording suggesting the supervisor can require the removal of barriers to resolution. The powers of resolution authorities are discussed in section 12.8, where they are better described.</p>	See response to Comment 109.
111	Global Federation of Insurance Associations (GFIA)	Global	<p>The wording should be changed to say that the insurer “should” and not “may” be given the opportunity to address barriers to effective resolution.</p> <p>GFIA does not support the new wording suggesting the supervisor can require the removal of barriers to resolution. The powers of resolution authorities are</p>	See response to Comment 109.

	Organisation	Jurisdiction	Comment	Resolution of comment
			discussed in section 12.8, where they are better described.	
Comments on proposed changes to CF 12.4.a				
112	APCIA	USA	<p>APCIA recommends the following revisions to this section to refer explicitly to activities-based risk assessments and risk-based criteria, consistent with the Holistic Framework:</p> <p>“The group-wide supervisor and/or resolution authority conducts an activities-based risk assessments of each IAIG within its jurisdiction that uses established risk-based criteria to determine whether a resolution plan is needed, in consultation with the crisis management group of the IAIG (IAIG CMG).”</p>	Noted. Standard 12.4 and subsequent guidance already contains implicit reference to activities-based risk assessment. The guidance 12.4.a.1 makes reference to standard 12.4.
113	American Council of Life Insurers	USA	<p>ACLI suggests the following alternative language:</p> <p>The group-wide supervisor and/or resolution authority conducts an activities-based risk assessments of each IAIG within its jurisdiction that uses established criteria, defined by standards or guidelines developed by the supervisor and/or resolution authority, to determine whether a resolution plan is needed, in consultation with the crisis management group of the IAIG (IAIG CMG).</p>	See response to Comment 112.
114	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA suggests the following revisions:</p> <p>The group-wide supervisor and/or resolution authority conducts an activities-based risk assessments of</p>	See response to Comment 112.

	Organisation	Jurisdiction	Comment	Resolution of comment
			each IAIG within its jurisdiction that uses established criteria , defined by standards or guidelines developed by the supervisor and/or resolution authority, to determine whether a resolution plan is needed, in consultation with the crisis management group of the IAIG (IAIG CMG).	
115	Swiss Insurance Association (SIA)	Switzerland	We support the requirement of conducting a company-specific robust assessment for the need of establishing a resolution plan.	Noted.
Comments on proposed changes to CF 12.4.a.1				
116	The Geneva Association	International	<ul style="list-style-type: none"> We do not support the provision “Other involved supervisors and/or resolution authorities may deem it appropriate to have their own resolution plan for the IAIG’s insurance legal entity in their jurisdictions when, for instance”. This will cause inconsistency between plans as noted by the IAIS itself and render the situation even more complex. A group plan should satisfy jurisdictional expectations for solo entities. Moreover, we believe this ComFrame standard is casting the net too wide. While resolution can be done at the legal entity level if so decided by the relevant jurisdictional authority, ComFrame should maintain the principle of group application for resolution matters. In addition, it is business as usual that the parent entity provides the affiliated risk carriers with parental guarantees that will be invoked by the failing entity’s re/insured clients if their re/insurance-related claims are not paid, therefore reducing the likelihood of a public interest of resolution at the affiliate level. 	Noted. We keep the wording “for instance” as it allows for flexibility in the implementation. In addition, considering this is guidance, including an indication that the list is not exhaustive fits the purpose of the guidance.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>Furthermore, new language in Cf.12.4.b requires the group plan to consider all material entities.</p> <ul style="list-style-type: none"> • In light of this, please amend as follows: “Other involved supervisors and/or resolution authorities may deem it appropriate to have their own resolution plan for the IAIG’s insurance legal entity in their jurisdictions when [remove] for instance [end/remove] all of the following conditions are met: • no plan exists at the level of the groupwide supervisor and/or resolution authority; the insurance legal entity’s presence in the jurisdiction is large in scope and/or scale; • the insurance legal entity meets substantially each of the criteria set out in Standard 12.4 and in particular the public interest test despite any potential group support guarantees. [remove]provides critical and/or nonsubstitutable insurance coverages; and/or • its resolution may impact that jurisdiction’s policyholders, financial stability and/or real economy.[end/remove] <p>Host jurisdiction resolution plans should be established in cooperation with the groupwide supervisor and/or resolution authority to ensure that the plan is as consistent as possible with the groupwide resolution plan for the IAIG”.</p>	
117	APCIA	USA	<p>We agree that CF 12.4.a.1, which is part of ComFrame and thus applicable to the supervision of IAIGs, should use the same factors that are applicable</p>	Noted.

	Organisation	Jurisdiction	Comment	Resolution of comment
			to non-IAIGs as referred to in ICP 12.4 and ICP guidance 12.4.1. That said, please refer to our responses to Questions 14 and 15 which are pertinent to ICP 12.4 and ICP guidance 12.4.1.	
118	American Council of Life Insurers	USA	<p>Consistent with comments on 12.4.1, ACLI suggests deleting this section.</p> <p>If the IAIS retains 12.4.1, the text ought to reflect greater flexibility for jurisdictional supervisors. As such, the language introducing the factors should be changed from “the criteria should consider factors” to “the criteria may consider factors” and additional factors should be added, such as “the insurer’s likelihood of failure” and “a cost/benefit analysis of a resolution plan”.</p> <p>When determining when a supervisor should engage with an insurer for either resolution or recovery planning, we agree that supervisor(s) can leverage existing ERM frameworks, ORSAs, capital and liquidity regimes, and the myriad of other available supervisory tools to perform an activities-based risk assessment. We also agree that some of the criteria in the assessment should be specific to an insurer’s circumstances and with the use of the following general criteria such as:</p> <ul style="list-style-type: none"> • complexity, size, activities and its lines of business • risk profile and risk management mechanisms • level of substitutability of the insurer’s activities or business lines • complexity of the insurer’s structure, including the 	<p>We do not agree with the suggestion. We believe that ICP 12.4.1 needs to be retained as ICP 12.4.1 importantly clarifies and details the broad concepts used in the standard 12.4.</p> <p>On the factors proposed to be added:</p> <ul style="list-style-type: none"> - Likelihood of failure is implicitly captured by the ‘activities and lines of business’ and the risk profile and risk management mechanisms.’ - Cost-benefit analysis should not be an explicit factor to be considered, since a positive outcome of the assessment (with the existing factors) described in 12.4 answers that question by default.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<ul style="list-style-type: none"> number of jurisdictions in which it operates • interconnectedness • likelihood of the insurer's failure • impact of the insurer's failure • number of policyholder's impacted • services or operations are significantly relied upon and cannot be substituted with reasonable time and cost • causing a systemic disruption or a loss of general confidence in the insurance sector • cost/benefit analysis of a resolution or recovery plan 	
119	Insurance Europe	Europe	<p>Insurance Europe considers that the following text CF12.4.a.3 will cause inconsistency between plans as noted by the IAIS itself and render the situation even more complex, "Other involved supervisors and/or resolution authorities may deem it appropriate to have their own resolution plan for the IAIG's insurance legal entity in their jurisdictions when, for instance".</p> <p>The proposed changes to this ComFrame standard casts the net too wide. While resolution can be done at legal entity level if decided by the relevant jurisdictional authority, ComFrame should continue to be true to itself and maintain the cap of group supervision and preparation to resolution. In addition, it is business as usual that the parent entity provides the affiliated risk-carriers with parental guarantees that will be invoked by the failing entity's (re)insured clients if their (re)insurance related claims are not paid, therefore reducing the likelihood of a public interest of resolution at affiliate level. Furthermore,</p>	See response to Comment 116.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>new language in Cf.12.4.b requires the group plan to consider all material entities.</p> <p>In light of this, Insurance Europe proposes to amend the text as follows, “Other involved supervisors and/or resolution authorities may deem it appropriate to have their own resolution plan for the IAIG’s insurance legal entity in their jurisdictions when [remove' for instance'] all of the following conditions are met:</p> <ul style="list-style-type: none"> • no plan exists at the level of the group-wide supervisor and/or resolution authority; the insurance legal entity’s presence in the jurisdiction is large in scope and/or scale; • the insurance legal entity met substantially each of the criteria set out in Standard 12.4 and in particular the public interest test despite any potential group support guarantees. <p>[remove 'provides critical and/or nonsubstitutable insurance coverages; and/or • its resolution may impact that jurisdiction’s policyholders, financial stability and/or real economy.']</p> <p>Host jurisdiction resolution plans should be established in cooperation with the group-wide supervisor and/or resolution authority to ensure that the plan is as consistent as possible with the group-wide resolution plan for the IAIG”.</p>	
120	Global Federation of Insurance Associations (GFIA)	Global	<p>Consistent with comments on 12.4.1, GFIA suggests deleting this section.</p> <p>If the IAIS retains 12.4.1, the text ought to reflect greater flexibility for jurisdictional supervisors. As</p>	See response to Comment 118.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>such, the language introducing the factors should be changed from, “the criteria should consider factors” to, “the criteria may consider factors” and additional factors should be added, such as, “the insurer’s likelihood of failure” and, “a cost/benefit analysis of a resolution plan”.</p> <p>Please see Q1 or Q15 for GFIA comments on what constitutes appropriate criteria.</p> <p>GFIA also considers that the following text CF12.4.a.3 will cause inconsistency between plans as noted by the IAIS itself and render the situation even more complex, “Other involved supervisors and/or resolution authorities may deem it appropriate to have their own resolution plan for the IAIG’s insurance legal entity in their jurisdictions when, for instance”.</p> <p>ComFrame should continue to be true to itself and maintain the cap of group supervision and preparation to resolution. In addition, it is business as usual that the parent entity provides the affiliated risk-carriers with parental guarantees that will be invoked by the failing entity’s (re)insured clients if their (re)insurance related claims are not paid, therefore reducing the likelihood of a public interest of resolution at affiliate level. Furthermore, new language in Cf.12.4.b requires the group plan to consider all material entities.</p> <ul style="list-style-type: none"> • In light of this, GFIA requests to amend the text as follows, “Other involved supervisors and/or resolution authorities may deem it appropriate to have their own resolution plan for the IAIG’s insurance legal entity in 	

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>their jurisdictions when [remove 'for instance'] all of the following conditions are met:</p> <ul style="list-style-type: none"> • no plan exists at the level of the group-wide supervisor and/or resolution authority; • the insurance legal entity's presence in the jurisdiction is large in scope and/or scale; • the insurance legal entity met substantially each of the criteria set out in Standard 12.4 and in particular the public interest test despite any potential group support guarantees; <p>[remove 'provides critical and/or nonsubstitutable insurance coverages; and/or • its resolution may impact that jurisdiction's policyholders, financial stability and/or real economy.']</p> <ul style="list-style-type: none"> • Host jurisdiction resolution plans should be established in cooperation with the group-wide supervisor and/or resolution authority to ensure that the plan is as consistent as possible with the group-wide resolution plan for the IAIG". 	
121	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>Consistent with the suggested edits to ICP guidance 12.4.1, change to one of the following; and also consider streamlining what might be excess verbiage:</p> <p>CF 12.4.a.1 Factors to be considered in developing the criteria for the assessing whether a resolution plan is needed are set out in Standard 12.4.</p> <p>or</p> <p>CF 12.4.a.1 Factors to be addressed by the criteria for assessing whether a resolution plan is needed are set out in Standard 12.4.</p>	Revised the text accordingly. See also response to Comment 92.

	Organisation	Jurisdiction	Comment	Resolution of comment
Comments on proposed changes to CF 12.4.b				
122	Swiss Insurance Association (SIA)	Switzerland	The last bullet point on prospective actions should be removed. Measures to improve resolvability should not be required unconditionally. They can be meaningful for systemically important institutions, as laid out by the FSB: “the RAP [Resolvability Assessment Process] refers to high-level discussions on G-SII resolvability that should be conducted for all G-SIIs by senior policy makers from CMG authorities relying on the technical KA10 resolvability assessments.” (c.f. FSB, “Developing Effective Resolution Strategies and Plans for Systemically Important Insurers”, chapter 1, 2016). And, even then, the FSB accounts for the business of insurance and qualifies the requirement: “The decision to impose any such requirement should take due account of the effect on the soundness and stability of ongoing business” (c.f. chapter 2.1, ibidem).	We retain the last bullet; however, we added the wording to specify the condition where the improvement of resolvability is needed. We also changed the wording “prospective” to “adequate” as we consider “adequate” is more appropriate in the context, given that any actions would need to be taken where the necessity of improvement is identified.
Comments on proposed changes to ICP 12.8				
123	The Geneva Association	International	<ul style="list-style-type: none"> Regarding resolution powers/tools, the whole 12.8 paragraph should take into account that legislation provides a range of powers to resolve insurers effectively, which are appropriate to the nature, scale, legal structure and complexity of the jurisdiction’s insurance sector (e.g. a mutual entity cannot be resolved in the same way as other insurance companies: no shareholder given the legal structure) 	This is already included in the first paragraph (“flexibility”).

	Organisation	Jurisdiction	Comment	Resolution of comment
124	International Actuarial Association (IAA)	International	The IAA notes that CF 12.8 is more detailed than the corresponding 12.8.6. and wonders if the exception for secured liabilities, which is mentioned in CF12.8.d, can and should always be made.	Given the comment, we removed the wording “Except for secured liabilities”, as we think it is included in a matter considered “in a manner consistent with the liquidation claims hierarchy and jurisdiction’s legal framework”, which is stated in CF 12.8.d.
Comments on proposed changes to ICP guidance 12.8.1				
125	APCIA	USA	<p>The value of adding the new wording in ICP guidance 12.8.1 is unclear. This is background information which is covered in the previous and subsequent paragraphs (i.e., ICP 12.8 and ICP guidance 12.8.2) and should be deleted to avoid confusion and for brevity.</p> <p>Furthermore, ICP guidance 12.8.1 includes the phrase “critical in failure in the jurisdiction.” Our responses to Questions 3, 14 and 18 suggest that ICP 12 instead simply refer to ICP 24 for matters pertaining to the definition or assessment of systemic risk and not introduce new and potentially conflicting language. Likewise, and if ICP guidance 12.8.1 is otherwise retained, we would suggest at least deleting that phrase and instead referring to ICP 24.</p>	We retain ICP 12.8.1. It was added to provide an example of the application of proportionality in the context of resolution powers. See also response to Comment 109.
126	Insurance Europe	Europe	It is not clear what the added value of the new wording in 12.8.1 is. This is background information which is covered in the previous and subsequent	See response to Comment 125.

	Organisation	Jurisdiction	Comment	Resolution of comment
			paragraphs (i.e. 12.8 and 12.8.2) and should be deleted to avoid confusion and for brevity.	
127	Global Federation of Insurance Associations (GFIA)	Global	The value of adding the new wording in 12.8.1 is unclear. This is background information which is covered in the previous and subsequent paragraphs (i.e., 12.8 and 12.8.2) and should be deleted to avoid confusion and for brevity.	See response to Comment 125.
128	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>As currently drafted, the guidance distinguishes between jurisdictions where the goal should be effective and orderly resolution and jurisdictions where the goal merely needs to be orderly resolution. The reason for drawing this distinction is unclear. Consider the following edit:</p> <p>12.8.1 The range of available resolution powers in a jurisdiction should allow the effective and orderly resolution of insurers, in a manner that protects policyholders and contributes to financial stability. Some powers may not be needed for all insurers but only, for example, for insurers that are of systemic importance or critical in failure in the jurisdiction. Therefore, in jurisdictions with more developed insurance markets and/or that include large, complex insurers, it is particularly important for legislation to provide a sufficiently wide range of resolution powers.</p>	Revised the text accordingly with some changes.
Comments on proposed changes to ICP guidance 12.8.2				
Comments on proposed changes to ICP guidance 12.8.3				

	Organisation	Jurisdiction	Comment	Resolution of comment
Comments on proposed changes to ICP guidance 12.8.4				
129	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>This paragraph would be clearer if resolution powers were the subject of both of the first two sentences, which could then be combined into a single sentence as follows:</p> <p>12.8.4 Some resolution powers are exercised with the aim to stabilise or restructure an insurer and avoid liquidation, while other resolution powers can be used in conjunction with liquidation. Creditors should have a right to compensation where they do not receive at a minimum what they would have received in a liquidation of the insurer under the applicable insolvency regime (NCWOL principle).</p>	Revised the text accordingly.
Comments on proposed changes to ICP guidance 12.8.6				
130	APCIA	USA	<p>As a general comment relating to formatting, we appreciate the manner in which the various powers listed in ICP guidance 12.8.6 have been arranged by categories (e.g. “Taking Control.” Withdrawal of License,” etc.).</p> <p>Under “Restructuring Mechanisms”, the power to restructure, limit or write down insurance liabilities should only be deployed under extremely limited circumstances and only if permitted under a jurisdiction’s legal framework (e.g., court approval). Similarly, under “Transfer or Sell Assets or Liabilities”, the power to terminate insurance contracts should only be deployed in extremely limited circumstances and only if permitted under a</p>	<p>This is a point of compatibility of the ICP with the local legislation and as such the ICP would not assume the supervisor to act in any illegal manner within their own jurisdiction.</p> <p>The introduction of resolution powers can have far-reaching consequences for national legislation for example on ownership rights. In some cases, it might be necessary to implement additional legislative changes to be able to implement these standards.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			jurisdiction's legal framework (e.g., court approval). Any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction's policyholder protection scheme (e.g., guaranty association).	
131	American Council of Life Insurers	USA	<p>Under “Restructuring mechanisms”, the power to restructure, limit or write down insurance liabilities should only be deployed under extremely limited circumstances and only if permitted under a jurisdiction's legal framework (e.g., court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction's policyholder protection scheme (e.g., guaranty association).</p> <p>Similarly, under “Transfer or sell assets or liabilities”, the power to terminate insurance contracts should only be deployed in extremely limited circumstances and only if permitted under a jurisdiction's legal framework (e.g., court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction's policyholder protection scheme (e.g., guaranty association).</p>	See response to Comment 130.
132	Global Federation of Insurance Associations (GFIA)	Global	Under restructuring mechanisms, the power to restructure, limit or write down insurance liabilities should only be deployed under extremely limited circumstances and only if permitted under a jurisdiction's legal framework (e.g. court approval). In	See response to Comment 130.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction's policyholder protection scheme (e.g. guaranty association).</p> <p>Similarly, under transfer or sell assets or liabilities, the power to terminate insurance contracts should only be deployed in extremely limited circumstances and only if permitted under a jurisdiction's legal framework (e.g. court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction's policyholder protection scheme (e.g. guaranty association).</p>	
133	Monetary Authority of Singapore	Singapore	Suggest to include the word "temporary" in front of "stay rights of the reinsurers of the ceding insurer..." (2nd bullet point under "Suspension of rights").	No change made as the existing language is aligned with the FSB KAs. In the FSB KAs, there is no reference to any temporary nature for the rights.
134	National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) and National Conference of Insurance Guaranty Funds (NCIGF)	USA	Given the emphasis on policyholder protection, insurance liabilities should be written down only in extremely rare circumstances when necessary to maintain financial stability. In no event should insurance liabilities be restructured, limited, or written down in a way that deprives policyholders of the protection afforded by a Policyholder Protection Scheme (PPS). Similarly, insurance contracts should not be terminated if doing so would deprive policyholders of the protection afforded by a PPS. The duration of any restriction or suspension of	See response to Comment 130.

	Organisation	Jurisdiction	Comment	Resolution of comment
			policyholder withdrawal rights should take into account whether there is a PPS.	
135	International Actuarial Association (IAA)	International	Minor typo change “license” to “licence”.	Revised the text accordingly.
Comments on proposed changes to CF 12.8.a				
136	Institute of International Finance (IIF)	USA	The need for close coordination among group and local supervisors and with resolution authorities should be particularly highlighted in the text on Group and Branch Perspectives (Section 12.8.15 et seq.). We strongly encourage the retention of the reference to adequate safeguards and proportionality in CF 12.8.a. The supervisor and/or resolution authority should not have unfettered discretion to exercise the range of powers described in CF 12.8.a without the proper checks and balances.	The reason why the language around the control was removed is to recognise the local legislation discretion on how it allows supervisors/resolution authorities to use their powers. See also response to Comment 106.
137	FWD Group	Hong Kong	We suggest that it would be appropriate to reinstate wording to clarify that the powers exercised by the supervisor and/or resolution authority should be subject to adequate safeguards and proportionality. This will ensure that such powers would be appropriately exercised and will limit any adverse impact on relevant stakeholders.	See response to Comment 136.
Comments on proposed changes to CF 12.8.b				
Comments on proposed changes to CF 12.8.c				
138	APCIA	USA	In the U.S., the powers over rights of the shareholders and creditors of holding companies and some other	Noted.

	Organisation	Jurisdiction	Comment	Resolution of comment
			non-insurance operations of an insurance group may be held by Federal Bankruptcy Courts overseeing the administration and enforcement of Federal Bankruptcy Laws. In such instances, those courts comprise a “resolution authority” as the term is defined in ICP guidance 12.0.3. It does not appear that the IAIS’ consultation on revisions to IPC 12 is intended to amend that definition, which as currently worded is critical in order to fully recognize the totality of resolution powers and authorities that exist in the U.S. (and very possibly in other jurisdictions as well) and which would apply, as appropriate, to the resolution of insurers and insurance groups.	
Comments on proposed changes to CF 12.8.d				
139	APCIA	USA	The power to restructure, limit or write down insurance liabilities should only be deployed under extremely limited circumstances and only if permitted under a jurisdiction’s legal framework (e.g., court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction’s policyholder protection scheme (e.g., guaranty association).	See response to Comment 130.
140	American Council of Life Insurers	USA	The power to restructure, limit or write down insurance liabilities should only be deployed under extremely limited circumstances and only if permitted under a jurisdiction’s legal framework (e.g., court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the	See response to Comment 130.

	Organisation	Jurisdiction	Comment	Resolution of comment
			protections afforded to them under a jurisdiction's policyholder protection scheme (e.g., guaranty association).	
141	Global Federation of Insurance Associations (GFIA)	Global	The power to restructure, limit or write down insurance liabilities should only be deployed under extremely limited circumstances and only if permitted under a jurisdiction's legal framework (e.g. court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction's policyholder protection scheme (e.g. guaranty association).	See response to Comment 130.
142	National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) and National Conference of Insurance Guaranty Funds (NCIGF)	USA	Given the emphasis on policyholder protection, insurance liabilities should be written down only in extremely rare circumstances when necessary to maintain financial stability. In no event should insurance liabilities be restructured, limited, or written down in a way that deprives policyholders of the protection afforded by a Policyholder Protection Scheme (PPS). Similarly, insurance contracts should not be terminated if doing so would deprive policyholders of the protection afforded by a PPS. The duration of any restriction or suspension of policyholder withdrawal rights should take into account whether there is a PPS.	See response to Comment 130.
Comments on proposed changes to CF 12.8.d.1				

	Organisation	Jurisdiction	Comment	Resolution of comment
143	APCIA	USA	In the U.S., the powers over rights of the shareholders and creditors of holding companies and some other non-insurance operations of an insurance group may be held by Federal Bankruptcy Courts overseeing the administration and enforcement of Federal Bankruptcy Laws. In such instances, those courts comprise a “resolution authority” as the term is defined in ICP guidance 12.0.3. It does not appear that the IAIS’ consultation on revisions to IPC 12 is intended to amend that definition, which as currently worded is critical in order to fully recognize the totality of resolution powers and authorities that exist in the U.S. (and very possibly in other jurisdictions as well) and which would apply, as appropriate, to the resolution of insurers and insurance groups.	Noted.
Comments on proposed changes to CF 12.8.d.2				
144	APCIA	USA	In the U.S., the powers over rights of the shareholders and creditors of holding companies and some other non-insurance operations of an insurance group may be held by Federal Bankruptcy Courts overseeing the administration and enforcement of Federal Bankruptcy Laws. In such instances, those courts comprise a “resolution authority” as the term is defined in ICP guidance 12.0.3. It does not appear that the IAIS’ consultation on revisions to IPC 12 is intended to amend that definition, which as currently worded is critical in order to fully recognize the totality of resolution powers and authorities that exist in the U.S. (and very possibly in other jurisdictions as well)	Noted.

	Organisation	Jurisdiction	Comment	Resolution of comment
			and which would apply, as appropriate, to the resolution of insurers and insurance groups.	
Comments on proposed changes to CF 12.8.d.3				
145	APCIA	USA	The power to restructure insurance liabilities or terminate insurance contracts (or amend their terms) should only be deployed in extremely limited circumstances and only if permitted under a jurisdiction's legal framework (e.g., court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction's policyholder protection scheme (e.g., guaranty association).	No change made. The proposed CF 12.8.d.2 already explains that it is a "last resort" measure. In addition, guidance on ICP 12.8 is already including general reference to NCWOL. Furthermore, both ICP 12.8 and CF 12.8 include sufficient wording about safeguards, proportionality, national legal framework and the creditor hierarchy.
146	National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) and National Conference of Insurance Guaranty Funds (NCIGF)	USA	Given the emphasis on policyholder protection, insurance liabilities should be written down only in extremely rare circumstances when necessary to maintain financial stability. In no event should insurance liabilities be restructured, limited, or written down in a way that deprives policyholders of the protection afforded by a Policyholder Protection Scheme (PPS). Similarly, insurance contracts should not be terminated if doing so would deprive policyholders of the protection afforded by a PPS. The duration of any restriction or suspension of policyholder withdrawal rights should take into account whether there is a PPS.	See response to Comment 145.

	Organisation	Jurisdiction	Comment	Resolution of comment
147	American Council of Life Insurers	USA	The power to restructure insurance liabilities or terminate insurance contracts (or amend their terms) should only be deployed in extremely limited circumstances and only if permitted under a jurisdiction's legal framework (e.g., court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction's policyholder protection scheme (e.g., guaranty association).	See response to Comment 145.
148	Global Federation of Insurance Associations (GFIA)	Global	The power to restructure insurance liabilities or terminate insurance contracts (or amend their terms) should only be deployed in extremely limited circumstances and only if permitted under a jurisdiction's legal framework (e.g. court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction's policyholder protection scheme (e.g. guaranty association).	See response to Comment 145.
Comments on proposed changes to CF 12.8.e				
149	APCIA	USA	In the U.S., the powers over rights of the shareholders and creditors of holding companies and some other non-insurance operations of an insurance group may be held by Federal Bankruptcy Courts overseeing the administration and enforcement of Federal Bankruptcy Laws. In such instances, those courts comprise a "resolution authority" as the term is defined in ICP guidance 12.0.3. It does not appear	Noted that these powers may be exercised by a court. No changes proposed as the formulation is not new.

	Organisation	Jurisdiction	Comment	Resolution of comment
			that the IAIS' consultation on revisions to IPC 12 is intended to amend that definition, which as currently worded is critical in order to fully recognize the totality of resolution powers and authorities that exist in the U.S. (and very possibly in other jurisdictions as well) and which would apply, as appropriate, to the resolution of insurers and insurance groups.	
150	Monetary Authority of Singapore	Singapore	Suggest to include the word “temporary” in front of “stay rights of the reinsurers of the ceding insurer...” (2nd bullet point).	See response to Comment 133.
Comments on proposed changes to CF 12.8.f				
151	APCIA	USA	The power to terminate insurance contracts should only be deployed in extremely limited circumstances and only if permitted under a jurisdiction’s legal framework (e.g., court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction’s policyholder protection scheme (e.g., guaranty association).	Noted. See response to Comment 145.
152	American Council of Life Insurers	USA	The power to terminate insurance contracts should only be deployed in extremely limited circumstances and only if permitted under a jurisdiction’s legal framework (e.g., court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction’s policyholder protection scheme (e.g., guaranty association).	Noted. See response to Comment 145.

	Organisation	Jurisdiction	Comment	Resolution of comment
153	Global Federation of Insurance Associations (GFIA)	Global	The power to terminate insurance contracts should only be deployed in extremely limited circumstances and only if permitted under a jurisdiction's legal framework (e.g. court approval). In addition, any such actions should not deprive policyholders or contract holders of any of the protections afforded to them under a jurisdiction's policyholder protection scheme (e.g. guaranty association).	Noted. See response to Comment 145.
Comments on proposed changes to CF 12.8.g				
Comments on proposed changes to CF 12.8.g.1				
154	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	"IT" is not a defined abbreviation, so it should either be spelled out or replaced with "MIS", which is used elsewhere in this section. MIS is arguably not quite the same as IT, but to the extent that it is slightly broader in scope, it is nonetheless essential.	MIS is a management information system that is required by ComFrame. It is not an essential service. Instead, we spelled out IT as information technology.
Comments on proposed changes to CF 12.8.g.2				
Comments on proposed changes to CF 12.8.g.3				
Comments on proposed changes to CF 12.8.i				
Comments on proposed changes to CF 12.8.i.1				
Comments on proposed changes to CF 12.8.i.2				
155	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	The divide between jurisdictions with judicial and administrative liquidation is not as sharply drawn as the current draft suggests. Consider one of the following clarifications:	Revised the text accordingly as suggested in the second option.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>CF 12.8.i.2 The power to put the insurer into liquidation may be exercised in a variety of ways, such as (i) all or part of the insurance contracts are put into run-off; or (ii) the resolution authority passes on the authority to resolve the insurer to a judicial body or court of law, or requires court approval or supervision in order to conduct the liquidation (judicial liquidation).</p> <p>or</p> <p>CF 12.8.i.2 The power to put the insurer into liquidation may be exercised in a variety of ways, such as (i) all or part of the insurance contracts are put into run-off; or (ii) the resolution authority passes on the authority to resolve the insurer to a judicial body or court of law (judicial liquidation). In some jurisdictions with judicial liquidation, the resolution authority is appointed to act on behalf of the court.</p>	
General comments on proposed changes to ICPs 16.15 and 16.16 and related ComFrame standards				
156	APCIA	USA	<p>APCIA's comments on ICPs 16.15 and 16.16 and the related ComFrame standards are intended to reinforce the application of the proportionality principle by focusing on material risks, plausible scenarios and options that are likely to be most effective. In that regard, it focuses the effort on potential problems of greatest concern while minimizing the burden on insurers and supervisors alike.</p> <p>Our comments also intend to amplify the principles of</p>	No change made. See response to Comment 74.

	Organisation	Jurisdiction	Comment	Resolution of comment
			the Holistic Framework by focusing on the activities of an insurer. And, as to the manner in which systemic risk is considered in these ICPs and ComFrame standards, we support referencing ICP 24 without introducing new and potentially conflicting language.	
157	Monetary Authority of Singapore	Singapore	We generally agree with the proposed changes to ICPs 16.15 and 16.16 and related ComFrame standards. The proposed changes would result in insurers having a better understanding of their own risks and pre-emptively identify options to address risks that could threaten the insurer's viability. The proposed changes also make clear that recovery plans are required, at a minimum, for an insurer that is assessed to be systemically important or critical if it fails.	Noted.
158	American Council of Life Insurers	USA	<p>As previously mentioned, given the unique characteristics and existing jurisdictional supervisory approaches, our view is that RRP supervisory requirements should not be applied mechanically. Only when a process, that involves an activities-based risk assessment using clear criteria, indicates the existence of a micro-prudential risk or macro-prudential risk (that is not mitigated by existing supervisory processes and/or an insurer's ERM framework and contingency plans), should a supervisor, using his/her judgment (including input from a CMG where applicable), require company action on RRP.</p> <p>When determining when a supervisor should engage</p>	Noted; the recovery plan requirement is indeed based on a risk-based and proportionate determination by the supervisor.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>with an insurer for either resolution or recovery planning, we agree that supervisor(s) can leverage existing ERM frameworks, ORSAs, capital and liquidity regimes, and the myriad of other available supervisory tools to perform an activities-based risk assessment. We also agree that some of the criteria in the assessment should be specific to an insurer's circumstances and with the use of the following general criteria such as:</p> <ul style="list-style-type: none"> • complexity, size, activities and its lines of business • risk profile and risk management mechanisms • level of substitutability of the insurer's activities or business lines • complexity of the insurer's structure, including the number of jurisdictions in which it operates • interconnectedness • likelihood of the insurer's failure • impact of the insurer's failure • number of policyholder's impacted • services or operations are significantly relied upon and cannot be substituted with reasonable time and cost • causing a systemic disruption or a loss of general confidence in the insurance sector • cost/benefit analysis of a resolution or recovery plan <p>We would support ICPs that apply RRP supervisory requirements to all insurers if the ICPs are modified to (1) make RRP supervisory requirements contingent on activities-based risk assessments; (2) limit application to insurers where activities-based risk assessments indicate the need for additional RRP supervisory requirements; (3) provide clarity that the</p>	

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>RRP supervisory requirements cannot be duplicative; and (4) provide that RRP supervisory requirements can be removed by a supervisor when justified.</p> <p>Given the purpose of ICPs to be applicable to the supervision of all insurers, ACLI recommends that the defining criteria for an activities-based risk assessment be addressed in other jurisdictional supervisory guidance (e.g., standards or guidelines). This would also be consistent with many of the other improvements to post-crisis group supervision of insurers (e.g., identifying a lead supervisor and collaboration among jurisdictional supervisors using comparable supervisory frameworks).</p>	
159	Insurance Europe	Europe	<p>Insurance Europe does not support the changes to section 16.16 which significantly increase expectations on supervisors to require pre-emptive recovery planning from insurers. The existing wording is sufficient to set the scope of insurers which need to develop and it is not clear why the proposed changes are necessary.</p> <p>If the wording is retained by the IAIS, it is vital that any requirement for subsidiary level plans can be satisfied via a group level plan (i.e. there should be no subsidiary-level, pre-emptive recovery and resolution planning requirements, if a group plan exists).</p>	<p>Noted, but the IAIS disagrees. The changes do not significantly increase the expectations. The 2019 version of the ICPs already included a requirement for recovery plans for insurers that are not an IAIG, “as necessary”. The changes in the standard and guidance merely provide more clarity and guidance for supervisors on how to determine whether such a plan should be required for a particular insurer. This should support a more globally consistent application of this recovery plan requirement but does not substantially change the original requirement.</p> <p>See also responses to Comments 15 and 16.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
160	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA does not support the changes to section 16.16 which significantly increases the expectations on supervisors to require pre-emptive recovery plan from insurers. The existing wording is sufficient to set the scope of insurers which needs to be developed and it is not clear why the proposed changes are necessary.</p> <p>As previously mentioned, given the unique characteristics and existing jurisdictional supervisory approaches, GFIA's view is that RRP supervisory requirements should not be applied mechanically. Only when a process, that involves an activities-based risk assessment using clear criteria, indicates the existence of a macro-prudential risk that is not mitigated by existing supervisory processes and/or an insurer's ERM framework and contingency plans) should a supervisor, using his/her judgment including input from a CMG where applicable, require company action on RRP.</p> <p>In addition, it is vital that any requirement for subsidiary level plans can be satisfied via a group level plan (i.e. there should be no subsidiary-level, pre-emptive recovery and resolution plan requirements), if a group plan exists.</p> <p>Given the purpose of ICPs to be applicable to the supervision of all insurers, GFIA recommends that the defining criteria for an activities-based risk assessment be addressed in other jurisdictional supervisory guidance (e.g. standards or guidelines). This would also be consistent with many of the other improvements to post-crisis group supervision of</p>	Noted. See responses to Comments 15, 16 and 159.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>insurers (e.g. identifying a lead supervisor and collaboration among jurisdictional supervisors using comparable supervisory frameworks).</p> <p>Please see Q1 or Q15 for GFIA comments on what constitutes appropriate criteria.</p>	
161	The Geneva Association	International	<p>As noted in 16.16.1, a recovery plan is pre-emptive in nature i.e. not a prediction of what would happen during an actual distressed situation. Recovery plans provide an overview of potential recovery options and highlight their potential impact in a given recovery scenario. This list should not be seen as exhaustive and considering these measures as possible in a recovery situation neither commits the insurer to implementing them should such a situation occur nor prevent the insurer from implementing them in another context.</p>	<p>Additional language was added in the guidance to make clear that the actual nature and timing of recovery actions will depend on the circumstances.</p>
162	APCIA	USA	<p>As noted in ICP guidance 16.16.1, the recovery plan is pre-emptive in nature i.e., not a prediction of what would happen during an actual distressed situation. Recovery plans provide an overview of potential recovery options and highlight their potential impact in a given recovery scenario. This list should not be seen as exhaustive and considering these measures as possible in a recovery situation neither commits the insurers to implementing them should such a situation occur nor prevent the insurers from implementing them in another context. Accordingly, recovery planning should focus on those material risks and key plausible scenarios and options that are likely to be</p>	<p>See response to Comment 161.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			most effective in addressing those scenarios. The planning exercise will then focus on potential problems of greatest concern while minimizing the burden on insurers and supervisors alike.	
163	Insurance Europe	Europe	As noted in 16.16.1, the recovery plan is pre-emptive in nature, in other words it is not a prediction of what would happen during an actual distressed situation. Recovery plans provide an overview of potential recovery options and highlight their potential impact in a given recovery scenario. This list should not be seen as exhaustive and considering these measures as possible in a recovery situation neither commits insurers to implementing them should such a situation occur, nor prevent insurers from implementing them in another context.	See response to Comment 161.
164	Global Federation of Insurance Associations (GFIA)	Global	As noted in 16.16.1, the recovery plan is pre-emptive in nature (i.e. not a prediction of what would happen during an actual distressed situation). Recovery plans provide an overview of potential recovery options and highlight their potential impact in a given recovery scenario. This list should not be seen as exhaustive and considering these measures as possible in a recovery situation neither commits the insurers to implementing them should such a situation occur, nor prevent the insurers from implementing them in another context.	See response to Comment 161.
Comments on proposed changes to ICP 16.15				

	Organisation	Jurisdiction	Comment	Resolution of comment
165	APCIA	USA	<p>While “as necessary” may be somewhat vague in the context of ICP 16.15, the deletion of that phrase makes it read more broadly, i.e., that all risks and all options be evaluated in advance, regardless of their potential impacts (risk) or potential effectiveness in any recovery effort (options). We thus suggest the revisions which we believe to be consistent with the related guidance at ICP guidance 16.15.1 would be helpful if included in the standard itself. The sentence would then read as follows:</p> <p>“The supervisor requires insurers to evaluate in advance their specific relevant and material risks that would be most likely to endanger the insurer as well as the most plausibly effective options that could avert failure in possible recovery scenarios.”</p>	The new guidance 16.15.2 has been added to clarify a proportionate application for the evaluation. See response to Comment 16.
166	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	While the revision to 16.15 makes sense given the revisions to 16.16, it seems there is potential overlap with 16.14 which addresses continuity analysis. The distinction between this and what an insurer would do to evaluate in advance their specific risks and options in possible recovery scenarios is a bit unclear so suggest reviewing these two standards and ensure the distinction is clear and avoid overlap.	<p>The previous ICP 16.15 has now been integrated into the previous ICP 16.16 (now ICP 16.15), including both the standard and guidance. Additionally, the new guidance 16.15.3 has been added to clarify the relationship with the ORSA. See response to Comment 16.</p> <p>This will be discussed in more detail in updating to the application paper.</p>
167	International Actuarial Association (IAA)	International	The IAA notes that in the draft IRRD in Europe the term “pre-emptive recovery plan” is used.	See response to Comment 161.

	Organisation	Jurisdiction	Comment	Resolution of comment
Comments on proposed changes to ICP guidance 16.15.1				
168	International Actuarial Association (IAA)	International	The purpose of recovery planning is also to help supervisors and resolution authorities by making it less likely that insurers need resolution and to help if they do enter resolution. This also should help supervisory aims to contribute to a viable insurance sector.	The points made by IAA are valid but somewhat tangential. For purposes of this guidance, which is specific to recovery planning, they are adequately captured by the existing language explaining that the purposes include sound risk management and providing valuable input to any supervisory measures that might become necessary.
Comments on proposed changes to ICP 16.16				
169	APCIA	USA	<p>In as much as the Holistic Framework embraces an activities-based approach to the assessment of systemic risk, APCIA believes that ICP 16.16 should similarly embrace such an approach. While “activities” might be implicitly considered as part of the “nature” of an insurer, we would prefer that an activities-based assessment be more explicitly stated. Thus, we recommend the following changes to the first bullet of ICP 16.16:</p> <p>“has a process to regularly assess which insurers are required to have a recovery plan, based on established criteria that consider the nature, scale, activities and complexity of the insurer;”</p> <p>We also note that the second bullet of ICP 16.16 includes the criteria of “....critical if it fails.” The IAIS does not actually use that phrase in the definition of systemic risk in ICP guidance 24.0.4. The phrase begs questions such as “critical to whom” and “how</p>	<p>Consistent with Comment 74, APCIA requests that we add “activities”: to the first bullet of ICP 16.16. The requested addition is not accepted for the reasons discussed in our response to Comment 74.</p> <p>In addition, APCIA opposes adding the phrase “or critical if it fails”, for the same reasons previously set forth in other APCIA comments, including 74, 100, and 156. We retain this language for the reasons discussed in our response to Comment 74.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>critical” which are not addressed elsewhere in the ICPs. It also poses a hypothetical (“if it fails”) without any indication of how likely it may be that the insurer may fail. Our preference would be to rely on the existing language of ICP 24 and not introduce new and potentially conflicting or confusing terms. Therefore, we recommend the followinga change to the second bullet of ICP 12.4 to refer explicitly to ICP 24. It would then read as follows:</p> <p>“requires, at a minimum, resolution plans for any insurer(s) assessed to be systemically important consistent with ICP 24 or critical if it fails; and”</p>	
170	American Council of Life Insurers	USA	<p>ACLI suggests replacing the top three bullets with the following: The supervisor has a process that involves an activities-based risk assessment that uses established criteria, defined by standards or guidelines developed by the supervisor, to regularly assess if an insurer should be required to have a recovery plan.</p>	Noted. See responses to Comments 77 and 169.
171	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA suggests replacing the top three bullets with the following: The supervisor: • has a process that involves an activities-based risk assessment that uses established criteria, defined by standards or guidelines developed by the supervisor, to regularly assess if an insurer should be required to have a recovery plan [remove 'to regularly assess which insurers are required to have a recovery plan,</p>	Noted. See responses to Comments 76, 169 and 170.

	Organisation	Jurisdiction	Comment	Resolution of comment
			based on established criteria that consider the nature, scale and complexity of the insurer"];	
172	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>The third bullet seems redundant. How can supervisors “require a recovery plan” while leaving it optional whether or not the plan is “in place”? If the phrase “in place” is necessary at all, consider the following edit:</p> <p>has a process to regularly assess which insurers are required to have a recovery plan in place, based on established criteria that consider the nature, scale and complexity of the insurer; and</p> <p>requires, at a minimum, recovery plans to be in place for any insurer(s) assessed to be systemically important or critical if it fails.</p>	We think it is important to explicitly ensure that the plan is in place as well as to be consistent with ICP 12.4. The third bullet has been revised in accordance with ICP 12.4.
Comments on proposed changes to ICP guidance 16.16.1				
173	American Council of Life Insurers	USA	ACLI suggests deleting the 2nd and 3rd sentences and replacing them with “A recovery plan should be developed during business as usual, in advance of any severe stress, and the result of an activities-based risk assessment”.	It is not clear why ACLI suggests deleting the sentence explaining that a recovery plan is preemptive in nature. This is not, to our knowledge, a disputed proposition, so ACLI’s proposed deletion appears to be editorial in nature. After reviewing other comments on this topic, we believe this sentence is useful and it has been retained. We do not believe it is necessary to add additional language about an “activities-based risk assessment”. See responses to Comments 74 and 169.

	Organisation	Jurisdiction	Comment	Resolution of comment
174	Global Federation of Insurance Associations (GFIA)	Global	GFIA suggests deleting the 2nd and 3rd sentences and replacing them with, “A recovery plan should be developed during business as usual, in advance of any severe stress, and the result of an activities-based risk assessment”.	See response to Comment 173.
175	The Geneva Association	International	<ul style="list-style-type: none"> In light of the general comment, please amend as follows: “A recovery plan identifies in advance options to restore the financial position and viability if the insurer comes under severe stress. The development of a recovery plan is pre-emptive in nature. It should, for example, be developed during business as usual, in advance of any severe stress. Recovery plans provide an overview of potential recovery options and highlight their potential impact in a given recovery scenario. This list should not be seen as exhaustive and considering these measures as possible in a recovery situation neither commits the insurer to implementing them should such a situation occur nor prevent the insurer from implementing them in another context.” 	We agree with the GA’s comment that the insurer cannot be expected to foresee all possibilities of a crisis scenario. However, we believe the best place to address this issue is in an application paper, not by revising the general description of a recovery plan in ICP 16.16.1. The suggestion will be considered in an application paper. See also response to Comment 193.
176	Insurance Europe	Europe	Considering the general comment, Insurance Europe requests to change the text as follows, “A recovery plan identifies in advance options to restore the financial position and viability if the insurer comes under severe stress The development of a recovery plan is pre-emptive in nature. It should take into account, for example, be developed during business as usual, in advance of any severe stress. Recovery plans provide an overview of potential recovery options and highlights their potential impact in a given	See response to Comment 175.

	Organisation	Jurisdiction	Comment	Resolution of comment
			recovery scenario. This list should not be seen as exhaustive and considering these measures as possible in a recovery situation neither commits insurer to implementing them should such a situation occur, nor prevent insurers from implementing them in another context.”	
Comments on proposed changes to ICP guidance 16.16.2				
177	APCIA	USA	APCIA would also oppose the introduction of a requirement for a minimum market share to be covered by recovery plans. Justification for this proposal is not provided, and it introduces an element of arbitrariness as to the selection of a market share level. Furthermore, it is in contradiction to the approach suggested in 16.16 (i.e., to assess the requirement for recovery plans using established criteria.	<p>See ICP Introduction: Guidance facilitates the understanding and application of the Principle Statement and/or Standards; it does not represent any requirements. The wording used in Guidance varies to reflect the intended weight of the text; for example, the use of “should” provides more of a recommendation, whereas the use of “may” is more of a suggestion.</p> <p>As such, it is recommended that supervisors consider the factors set out in the bullet point list in ICP 16.16.2 when deciding on whether a recovery plan is necessary for an insurer. But it is not a requirement for jurisdictions to consider all of the criteria when deciding which insurers should have a recovery plan in place.</p> <p>The guidance under ICP 16.2.2 goes on to state that supervisors ‘may’ decide to require recovery plans for a minimum share of its insurance sector. This is one option followed by some jurisdictions, and is not</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
				<p>offered as either a recommendation or a requirement.</p> <p>See also response to Comment 11.</p>
178	Swiss Insurance Association (SIA)	Switzerland	<p>SIA does not support the introduction of requirements for a minimum market share and suggests deleting this paragraph.</p> <p>Jurisdictions need to implement a resolution regime along the FSB Key Attributes to establish the conditions for orderly resolutions. In such a regime there is no necessity for an automatic requirement for an IAIG or other insurer to establish resolution plans; this decision should always be risk-based. There should not be a requirement to have recovery plans for a minimum share of a jurisdictions insurance sector. The approach based on market shares is not reflective of a risk-based assessment; market shares do not reflect concentrations in a given market. Depending on the size of the insurance sector in a jurisdiction, this could lead to a resolution plan being drawn up for a small insurer in the global or regional context when a mid- to large insurer in a large jurisdiction may not be required to do so. For these reasons the SIA suggest deleting the last sentence of the guidance.</p>	See response to Comments 11 and 177.
179	American Council of Life Insurers	USA	<p>ACLI suggests deleting this entire section since RRP supervisory requirements for an insurer would be better placed in jurisdictional supervisory standards or guidance instead of in ICPs.</p>	As ACLI suggests, ICP 16.16.2 is guidance to ICP 16.16.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>If the IAIS retains 16.16.2, the text ought to reflect greater flexibility for jurisdictional supervisors. As such, the language introducing the factors should be changed from “the criteria should consider factors” to “the criteria may consider factors” and additional factors should be added, such as “the insurer’s likelihood of failure” and “a cost/benefit analysis of a recovery plan”.</p> <p>When determining when a supervisor should engage with an insurer for either resolution or recovery planning, we agree that supervisor(s) can leverage existing ERM frameworks, ORSAs, capital and liquidity regimes, and the myriad of other available supervisory tools to perform an activities-based risk assessment. We also agree that some of the criteria in the assessment should be specific to an insurer’s circumstances and with the use of the following general criteria such as:</p> <ul style="list-style-type: none"> • complexity, size, activities and its lines of business • risk profile and risk management mechanisms • level of substitutability of the insurer’s activities or business lines • complexity of the insurer’s structure, including the number of jurisdictions in which it operates • interconnectedness • likelihood of the insurer’s failure • impact of the insurer’s failure • number of policyholder’s impacted • services or operations are significantly relied upon and cannot be substituted with reasonable time and cost 	<p>The comment to the word ‘should’ has been noted. The drafting of 16.16.2 uses terms ‘such as’ and ‘and/or’ to reflect jurisdictional flexibility. The guidance under 16.16.2 gives examples of the criteria a jurisdiction should consider; which in the ICPs have the meaning of a recommendation, not a requirement. So while ultimately it is the choice of each jurisdiction on which criteria to use, the use of the verb “should” is intended to enhance global consistency in the application of this requirement.</p> <p>See also response to comment 177.</p>

	Organisation	Jurisdiction	Comment	Resolution of comment
			<ul style="list-style-type: none"> • causing a systemic disruption or a loss of general confidence in the insurance sector • cost/benefit analysis of a resolution or recovery plan 	
180	The Life Insurance Association of Japan	Japan	<p>-The LIAJ believes the proposal to include market share standard as a potential factor to decide which insurers a recovery plan is necessary should be reconsidered.</p> <p>-Insurers for which a recovery plan is necessary should be determined by risk-based criteria. The size of the insurer's market share does not necessarily correlate with the size of its risks, and for that reason, the proposed criteria regarding market share may not be appropriate.</p>	See response to Comments 11 and 177.
181	Insurance Europe	Europe	<p>Insurance Europe opposes wording that introduces a requirement for a minimum market share and propose to delete it.</p> <p>No justification for this proposal is provided. Furthermore, it is in contradiction to the approach outlined in 16.16 (i.e. to assess the requirement for pre-emptive recovery plans using risk-based criteria).</p> <p>Requiring pre-emptive recovery plans from (large) proportions of each market will create unnecessary burdens for insurers (and supervisors) without any commensurate benefits.</p>	See responses to Comments 11 and 177.
182	State Secretariat for International Finance	Switzerland	Analogous to question 15, we want to highlight that the proposition that a supervisor may also decide to require recovery plans for a minimum share of its	Noted. It would down to each jurisdiction to determine how to calibrate criteria it applies

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			insurance sector would not rule out that recovery plans be required also from insurers that do not fulfil any of the other, more risk-based, criteria suggested by IAIS.	to decide which insurers should be subject to recovery planning.
183	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA suggests deleting this entire section since RRP supervisory requirements for an insurer would be better placed in jurisdictional supervisory standards or guidance instead of in ICPs.</p> <p>No justification for this proposal is provided. Furthermore, it is in contradiction to the approach outlined in 16.16 (i.e. to assess the requirement for recovery plans using risk-based criteria).</p> <p>Requiring recovery plans from (large) proportions of each market will create unnecessary burdens for insurers (and supervisors) without any commensurate benefits.</p> <p>If the IAIS retains 16.16.2, the text ought to reflect greater flexibility for jurisdictional supervisors. As such, the language introducing the factors should be changed from, “the criteria should consider factors” to, “the criteria may consider factors” and additional factors should be added, such as, “the insurer’s likelihood of failure” and “a cost/benefit analysis of a recovery plan”.</p> <p>Please see Q1 or Q15 for GFIA comments on what constitutes appropriate criteria.</p>	<p>As the GFIA suggests, ICP 16.16.2 is guidance to ICP 16.16.</p> <p>See responses to Comments 177 and 179.</p>

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184	National Association of Insurance Commissioners (NAIC)	National Association of Insurance Commissioners (NAIC)	<p>Having guidance on factors that should be considered as part of the criteria in determining the necessity of a recovery plan or a resolution plan (in revised 12.4.1) is helpful. However, the same factors are listed in each section. While this makes some sense, a recovery plan and a resolution plan serve different purposes, so the consideration and analysis should not necessarily be the same. We therefore suggest adding a sentence either as part of 16.16.2 or as a new 16.16.3 to help emphasize this point: “When assessing the criteria to determine whether a recovery plan is necessary for an insurer, the supervisor should keep in mind the intended purpose and role of a recovery plan as well as other requirements and/or powers that may already be applicable.”</p> <p>Also, it is the supervisor, not the criteria, who considers the enumerated factors and makes the decision (although the criteria might simply be the enumerated factors). Consider one of the following edits to the introductory clause:</p> <p>16.16.2 When developing the criteria for deciding which insurers will be subject to a recovery plan requirement, the supervisor should consider factors such as:</p> <p>or</p> <p>16.16.2 The criteria to be used by the supervisor when deciding which insurers will be subject to a recovery plan requirement the criteria should address factors such as:</p>	<p>On the first suggestion, we do not see any need to add it as we believe it is obvious that the point is inherent in the current text. For the rest of the suggestions, revised the text accordingly.</p>

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			<p>Alternatively, replace “will be subject to a recovery plan requirement” with “must have recovery plans in place” or “will be required to have recovery plans in place”, and consider whether it is appropriate to use the same language for resolution plans in ICP guidance 12.4.1.</p> <p>Finally, edit the last bullet as follows:</p> <p>the impact of the insurer’s failure.</p>	
Comments on proposed changes to ICP guidance 16.16.3				
185	APCIA	USA	Consistent with our response to Question 14, APCIA agrees with ICP guidance 16.16.3 which simply refers to ICP 24 to for guidance on the assessment of systemic risk and without the risk of re-stating that in ICP 16 in possibly different and conflicting terms.	Noted. See responses to Comments 100, 125, 156 and 169.
186	American Council of Life Insurers	USA	Consistent with previous comments in 16.16, ACLI suggests deleting this section.	Noted.
187	Global Federation of Insurance Associations (GFIA)	Global	Consistent with previous comments in 16.16, GFIA suggests deleting this section.	Noted.
Comments on proposed changes to ICP guidance 16.16.4				
188	APCIA	USA	To clarify and to be consistent with ICP guidance 16.16.2, APCIA recommends the following revisions	The text revised accordingly with some changes in line with the changes to 12.4.2.

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			to ICP guidance 16.16.4 to refer explicitly to ICP guidance 16.16.2, as follows: “When deciding on the necessary level of detail in cases where a plan is required, the supervisor should consider the criteria such as those included in ICP guidance 16.16.2 above.”	The jurisdiction establishes the criteria upon which it relies, and 16.15.5 describes factors for the jurisdiction to consider in establishing those criteria, including a list of illustrative examples.
189	Monetary Authority of Singapore	Singapore	Suggest to include the word in underlined in bold to make it clearer: “When deciding on the necessary level of detail in cases where a recovery plan is required, the supervisor should consider the criteria above.”	Accepted. See response to Comment 188.
190	American Council of Life Insurers	USA	Consistent with comments in 16.16.2, ACLI suggests deleting this section.	Noted. See response to Comment 177.
191	Global Federation of Insurance Associations (GFIA)	Global	Consistent with comments in 16.16.2, GFIA suggests deleting this section.	Noted. See response to Comment 177.
Comments on proposed changes to ICP guidance 16.16.5				
Comments on proposed changes to ICP guidance 16.16.7				
192	International Actuarial Association (IAA)	International	The insurer’s review of its recovery plan should include checking and testing that it is likely to be effective in practice. This review should cover, in particular, any significant reliance on third parties.	We note IAA’s comment to the testing of the recovery plan. We consider that this is captured by ICP 16.15.9, which includes, but not limited to, the supervisor should require the insurer to provide the necessary information to enable to supervisor to assess the robustness and credibility of any recovery plan required.

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Comments on proposed changes to ICP guidance 16.16.8				
193	The Geneva Association	International	A pre-emptive recovery plan is a paper exercise. While it is an important exercise, you cannot expect to foresee everything that might happen in an actual crisis situation. Each crisis situation is different, and none can be accurately predicted. Therefore, actual recovery measures should depend on the specificities of the distressed situations irrespective of whether they are included in the pre-emptive recovery plan. In light of this, please amend as follows: “Notwithstanding the existence of a recovery plan, the supervisor should require the insurer to take actions for recovery if the insurer comes under severe stress specific to the circumstances.”	We agree that the recovery plan cannot be expected to foresee all possibilities of a crisis scenario, and that actions must be specific to the circumstances rather than strictly adhering to a playbook developed before those circumstances were known or fully understood. However, ICP 16.16.8 is self-contained and we also believe the best place to address this issue is in an application paper. The suggestion will be considered in the update to the existing application paper, a project that will start in 2025. See also response to Comment 185.
194	Insurance Europe	Europe	Each crisis situation is different, and none can be accurately predicted. Therefore, actual recovery measures should depend on the specificities of the distressed situations irrespective of whether they are included in the pre-emptive recovery plan. Insurance Europe therefore request the following change, “Notwithstanding the existence of a recovery plan, the supervisor should require the insurer to take action for recovery if the insurer comes under severe stress specific to the circumstances.”	See response to comments 175 and 193.
195	International Actuarial Association (IAA)	International	The IAA suggests adding “in the view of the supervisor” after “severe stress” as the supervisor and the insurer's management may have different views on the need to take recovery actions.	Change not made as this was not deemed necessary; there are other ICPs that deal with the powers of the supervisors to require insurers to take certain actions (eg, ICP 10, 17).

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Comments on proposed changes to CF 16.16.a				
196	APCIA	USA	<p>Consistent with APCIA's earlier comments, the phrasing of ICP 16.16.a appears too broad, i.e., possibly to require an assessment of all conceivable options as they may apply in a recovery situation. Recovery planning is, by necessity, somewhat speculative in nature in that it seemingly requires a crystal ball to consider what might happen in the future, and what to do about it if it does. It would be neither practical nor productive to make that an overly exhaustive exercise exploring every potential scenario. Therefore, we recommend the revisions so that it would read as follows:</p> <p>"develop a recovery plan that identifies in advance the most plausibly effective options to restore the financial position and viability of the IAIG if it comes under severe stress;"</p>	<p>APCIA's objections relate to the existing text of CF 16.15.a (proposed to be renumbered as CF 16.16.a), not to the proposed revision, which simply clarifies that a recovery plan is designed to be implemented only if the IAIG comes under severe stress. The existing text makes clear that there is no requirement to address "all conceivable options", and the proposed revision is not adopted. Indeed, CF 16.16.a.10 expressly acknowledges that "a recovery plan may not be able to cover every possible scenario".</p>
197	American Council of Life Insurers	USA	<p>ACLI suggests the following alternative language: The group-wide supervisor requires the Head of the IAIG to:</p> <ul style="list-style-type: none"> • conduct an activities-based risk assessment of each IAIG within its jurisdiction that uses established criteria, defined by standards or guidelines developed by the supervisor, to determine whether a recovery plan is needed, in consultation with the crisis management group of the IAIG (IAIG CMG); • review and update the recovery plan on a regular basis, or when there are material changes; and • take actions for recovery if the IAIG comes under 	<p>As noted also in the response to comment 19, the requirement for IAIGs was already part of the original language as adopted in 2019 and as such this was not subject to consultation.</p> <p>We note the remaining comments, which are consistent with the language and intent of ComFrame.</p>

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			<p>severe stress.</p> <p>When determining when a supervisor should engage with an insurer for either resolution or recovery planning, we agree that supervisor(s) can leverage existing ERM frameworks, ORSAs, capital and liquidity regimes, and the myriad of other available supervisory tools to perform an activities-based risk assessment. We also agree that some of the criteria in the assessment should be specific to an insurer's circumstances and with the use of the following general criteria such as:</p> <ul style="list-style-type: none"> • complexity, size, activities and its lines of business • risk profile and risk management mechanisms • level of substitutability of the insurer's activities or business lines • complexity of the insurer's structure, including the number of jurisdictions in which it operates • interconnectedness • likelihood of the insurer's failure • impact of the insurer's failure • number of policyholder's impacted • services or operations are significantly relied upon and cannot be substituted with reasonable time and cost • causing a systemic disruption or a loss of general confidence in the insurance sector • cost/benefit analysis of a resolution or recovery plan 	
198	Global Federation of Insurance Associations (GFIA)	Global	<p>GFIA suggests the following revisions:</p> <p>"The group-wide supervisor requires the Head of the</p>	See response to Comment 197.

	Organisation	Jurisdiction	Comment	Resolution of comment
			<p>IAIG to:</p> <ul style="list-style-type: none"> • conduct an activities-based risk assessment of each IAIG within its jurisdiction that uses established criteria, defined by standards or guidelines developed by the supervisor, to determine whether a recovery plan is needed, in consultation with the crisis management group of the IAIG (IAIG CMG); [remove 'develop a recovery plan that identifies in advance options to restore the financial position and viability of the IAIG if it comes under severe stress;'] • review and update the recovery plan on a regular basis, or when there are material changes; and • take actions for recovery if the IAIG comes under severe stress". <p>Please see Q1 or Q15 for GFIA comments on what constitutes appropriate criteria.</p>	