

Questions for public consultation on draft Application Paper on operational resilience objectives and toolkit

Thank you for your interest in the public consultation on the draft Application Paper on operational resilience objectives and toolkit. The Consultation Tool is available on the IAIS website.

Please do not submit this document to the IAIS. All responses to the Consultation Document must be made via the [Consultation Tool](#) to enable those responses to be considered.

Consultation questions

1	<p>General comments on the Application Paper</p> <p>Several paragraphs have bulleted lists under them. Some of these lists end in “.” But others end in “;”. Suggest being consistent in how the bulleted lists are structured.</p> <p>IAIS usually uses “supervisor” rather than “authority” or “supervisory authority” – this should be made consistent in paragraphs 34, 49, 50, 58, 59</p>
2	<p>General comments on the Executive Summary</p> <p>Pg. 4, para 1: Editorial suggestion.</p> <p>The concept and all definitions of operational resilience take as a premise the assumption that operational disruptions will occur and thus that insurers should consider their tolerance for such disruptions and take this tolerance into account when devising their approach to operational resilience.</p> <p>Pg. 4, para 3: Suggest a slight rephrasing.</p> <p>The Insurance Core Principles (ICPs) establish the importance of insurers having effective risk <u>management</u> and governance processes to manage all risks. This paper supports supervisors and insurers in understanding how to assess and address operational resilience in light of the ICP risk management and other relevant <u>ICP</u> requirements. To this end, it considers how operational resilience can be embedded into existing risk management and governance frameworks.</p> <p>Pg. 4, para 4: Suggest a slight rephrasing and breaking up a rather complex sentence.</p> <p>This Application Paper consists of the operational resilience objectives (the objectives) and the supporting practices and tools (the toolkit).</p> <p>These two components work in tandem: the objectives provide the basis for a high-level framework for meeting the ICPs, while the toolkit provides supervisors with practical implementation approaches. <u>Such approaches</u> that will naturally evolve as risk management practices mature (in general and for a given insurer) and new risks emerge.</p> <p>Pg. 4, para 5: As written, it seems like the ORWG did not also draft the toolkit. Suggest rephrasing.</p> <p>The development of this Application Paper took both a top-down and a bottom-up approach. While t The objectives were drafted by the Operational Resilience Working Group (ORWG) <u>first, and then it developed the toolkit was prepared</u> on the basis of a survey conducted with several IAIS Members from multiple jurisdictions (see the Annex for a list of the participating jurisdictions).</p>

	<p>Pg. 6, para 17, first bullet: Suggest rephrasing so this makes more sense – “other topics” seems to imply topics that are not the focus of this paper.</p> <p><i>Legal or supervisory requirements:</i> These are generally principles-based and are often included in requirements on other <u>general and specific</u> topics, eg corporate governance, operational risk management, technology/cyber risk management and outsourcing/third-party risk management.</p>
3	General comments on Section 1
4	Comments on Section 1.1 (Background and purpose)
5	Comments on Section 1.2 (How ICPs support operational resilience)
6	Comments on Section 1.3 (Objectives and toolkit for insurance sector operational resilience)
7	General comments on Section 2
8	General comments on Section 3
9	<p>Comments on Objective 1.1 and toolkit material</p> <p>Pg. 7, para 18: Editorial suggestion.</p> <p>...and responsibilities cover such matters <u>such</u> as establishing and implementing systems, processes and policies at a high level</p> <p>Pg. 7, at the bottom of the page: Suggest the heading “Board Members” be moved down to the next page. Also, add a paragraph number to the first paragraph under “Board Members.”</p> <p>Pg. 8, top of the page, first bullet: it is not the role of the supervisor itself to establish a risk culture, risk appetite, etc. for an insurer. This puts the supervisor in the role of insurer’s Board, which is not appropriate. This should be deleted or reworded if a different point was intended.</p> <p>Pg. 10, Box 1: it is not clear in the Qatar example whether the requirements have been issued but have a 1 October effective date or whether they will be issued on that date. Assuming it is the former, suggest:</p> <p>The Qatar Financial Centre Regulatory Authority (QFCRA) has issued requirements (commencing <u>effective</u> 1 October 2025) setting out...</p> <p>Pg.10, Box1, add the following example:</p> <p>The National Association of Insurance Commissioners’ (NAIC) Market regulation handbook, Financial Condition Examiner’s Handbook, and Financial Analysis Handbook provide comprehensive guidelines and <u>tools for assessing the efficacy of corporate governance. Required filings such as Form F (Enterprise Risk Report),</u></p>

	<p>ORSA (Own Risk Solvency Assessment), and Corporate Governance Annual Disclosure (CGAD), also support objective 1.1 by emphasizing effective corporate governance, robust risk management frameworks and strong internal controls.</p> <p>Pg. 11, Box 2: For the Netherlands example, is there a link that could be provided to the expectations they have developed? If not, suggest removing as it is a less helpful example and the box already has a number of them.</p>
10	<p>Comments on Objective 1.2 and toolkit material</p> <p>Pg 13, para 22, last bullet: it is not clear how the supervisor itself would integrate operational resilience into an insurer's ICT risk framework. This puts the supervisor in the role of running the insurer, which is not appropriate. This should be deleted or reworded if a different point was intended.</p>
11	General comments on Section 4
12	Comments on Objective 2.1 and toolkit material
13	<p>Comments on Objective 2.2 and toolkit material</p> <p>Pg. 19, Box 7: Add link to OSFI guidance.</p>
14	<p>Comments on Objective 2.3 and toolkit material</p> <p>Pg. 20, Box 8: move the box heading down to the next page.</p> <p>Pg. 22, Box 9: add link to DORA reference.</p>
15	<p>Comments on Objective 2.4 and toolkit material</p> <p>Pg. 23, para 41: Justify the first word in the paragraph.</p>
16	<p>Comments on Objective 2.5 and toolkit material</p> <p>Pg. 25, Box 11: Add link to Quebec reference.</p>
17	Comments on Objective 2.6 and toolkit material
18	<p>Comments on Objective 2.7 and toolkit material</p> <p>Pg 28, Objective 2.7: suggest spelling out BCP and DRP.</p> <p>Pg. 29, para 52: should the paragraph following 52 be numbered?</p>
19	Comments on Objective 2.8 and toolkit material

	<p>Pg. 30, para 53: for consistency use “Supervisory practices” rather than “Regulatory practices”.</p> <p>Pg. 31, para 58: as this may not necessarily be a systemic risk, suggest softening:</p> <p>To have a better understanding of, and to mitigate for, this <u>potential</u> systemic risk, jurisdictions may consider granting <u>the supervisor</u> supervisory authorities powers to directly oversee the provision of services to financial institutions by critical third-party providers.</p>
20	General comments on Section 5
21	<p>Comments on Objective 3.1 and toolkit material</p> <p>Pg. 32, para 61, last sentence: This paragraph and section is on internal coordination and operations of the supervisor, so it seems rather odd for the last sentence to suggest external stakeholder be involved. Suggest deleting or otherwise rewording if a different point was intended. Alternatively, this may be a point better suited under Objective 3.3.</p> <p>Pg. 33, Box 16: Consider whether links for these examples should be included as their helpfulness is rather limited.</p> <p>Pg. 33, Box 16: Consider referencing the NAIC’s use of “Supervisory Colleges” to support international group-level communication.</p>
22	<p>Comments on Objective 3.2 and toolkit material</p> <p>Pg. 34, para 66: Was more established stakeholder communication channels in more developed markets something demonstrated in the survey results? If so, this should be noted, otherwise this seems like a generalization that may or may not be accurate and therefore there paragraph should be deleted.</p> <p>Pg. 34, Box 17: For the USA example, provide the following links: Financial Condition (E) Committee: https://content.naic.org/committees/e/financial-condition-cmte Innovation, Cybersecurity, and Technology (H) Committee: https://content.naic.org/committees/h/innovation-cybersecurity-technology-cmte</p>
23	<p>Comments on Objective 3.3 and toolkit material</p> <p>Pg. 35-37, Boxes 18, 19, and 20: Consider whether links (if available) for these examples should be included.</p>
24	Comments on Objective 3.4 and toolkit material

