

Questions for public consultation on ancillary risk indicators in the Global Monitoring Exercise

Thank you for your interest in the public consultation on ancillary risk indicators in the Global Monitoring Exercise. 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

Questions for stakeholders

Question 1	Do you have any views on the proposed definitions of the metrics on investments by credit rating (CRE.1.a and CRE.1.b)? If you would recommend changes, please provide revised definitions and technical specifications.
Question 2	Do you have any views on the proposed definitions of the metrics on credit risk scenario analysis (CRE.2.a, CRE.2.b and CRE.2.c)? If you would recommend changes, please provide revised definitions and technical specifications.
Question 3	Do you have any views on the proposed default and recovery rates in the credit risk scenario analysis (Table 3)? If you would recommend changes, please provide the data sources.
Question 4	<p>Is the current level of granularity of collected data in the IIM template (asset class, credit rating) adequate to monitor an insurers' credit risk exposure, taking into account the reporting burden of any potential increased granularity?</p> <p>No additional granularity is needed. Recommend a review to reduce granularity and reporting burden, e.g., removing data by asset class. Individual insurer credit risk is an insurer responsibility with prudential supervisory oversight, that should not be duplicated in detail via annual IAIS global monitoring.</p>
Question 5	<p>Do you have any other comments on the proposed ancillary indicator on credit risk?</p> <p>Table 2, pages 7 and 8: For accuracy, in the NAIC column, add a "1" in Rows 1 and 2 and update Row 7 to read, "5/6" instead of "5."</p>
Question 6	Do you have any views on the proposed definitions of the metrics on relative usage of derivatives (DER.1.a, DER.1.b, DER.1.c, DER.1.d and DER.1.e)? If you would recommend changes, please provide revised definitions and technical specifications.
Question 7	Do you have any views on the proposed definition of the metric on PFE of derivatives (DER.2.a)? If you would recommend changes, please provide a revised definition and technical specifications.
Question 8	Do you have any views on the proposed definition of the metric on materiality of OTC derivatives (DER.3.a)? If you would recommend changes, please provide a revised definition and technical specifications.
Question 9	Do you have any views on the proposed definitions of the metrics on margin and collateral calls (DER.4.a, DER.4.b and DER.4.c)? If you would recommend changes, please provide revised definitions and technical specifications.
Question 10	Do you have any views on the proposed definition of the metric on central clearing (DER.5.a)? If you would recommend changes, please provide a revised definition and technical specifications.
Question 11	Do you have any views on the proposed definition of the metric on hedging (DER.6.a)? If you would recommend changes, please provide a revised definition and technical specifications.
Question 12	Do you have any other comments on the proposed ancillary indicator on derivatives?
Question 13	Do you have any views on the proposed definitions of the metrics on reliance on reinsurance (RE.1.a and RE.1.b)? If you would recommend changes, please provide revised definitions and technical specifications.

Question 14	Do you have any views on the proposed definition of the metric on cross-border life reinsurance (RE.2.a)? If you would recommend changes, please provide a revised definition and technical specifications.
Question 15	Do you have any views on the proposed definition of the metrics on (re)insurers' market share (RE.3.a and RE.3.b)? If you would recommend changes, please provide revised definitions and technical specifications.
Question 16	Do you have any additional suggestions for metrics to capture the potential build-up of any systemic risk in the reinsurance sector? No additional suggestions for metrics capturing potential buildup of systemic risk in reinsurance.
Question 17	Do you have any other comments on the ancillary indicator on reinsurance?
Question 18	Do you have any views on the proposed definitions of the metrics on mark-to-model assets (MTM.1.a, MTM.1.b and MTM.1.c)? If you would recommend changes, please provide revised definitions and technical specifications.
Question 19	Would it be feasible to report data on the new proposed item on mortgages that are not included in Level 3 assets held at fair value or in assets which would be classified as Level 3 if they were held at fair value (eg mortgages held as Level 2 assets)? If not, please describe any challenges and how to potentially overcome these. Currently unable to report mortgage information for Level 3 assets and do not support using those assets as a systemic risk indicator. Support removing Level 3 assets from IAIS systemic risk indicator lists and surveys.
Question 20	Do you have any other comments on the proposed ancillary indicator on mark-to-model assets?
Question 21	Do you have any views on the proposed methodology for the correlation adjustment for the ILR? If you propose any changes, please provide the revised methodology and technical specifications.
Question 22	Do you have any views on amending the correlation factor for ILR liquidity needs between life stress and P&C stress? Please provide evidence to support your proposals.
Question 23	Do you have any views on amending any other correlation factors for ILR liquidity needs? If so, which correlation factor(s) do you suggest changing, and why? Please provide evidence to support your proposals.
Question 24	Do you have any other comments on the correlation adjustment for the ILR?
Question 25	Do you have any other feedback on the development of ancillary risk indicators in the GME?