

# Questions for public consultation on Draft Operational Resilience Objectives [and Toolkit]

Thank you for your interest in the public consultation on 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>The terms “supervisor” and “regulator” are used throughout the document. Recommend defining if both terms will be used, or defer to IAIS convention and use “supervisor.”</p>
2	General comments on Section 1 Introduction
3	General comments on Section 1.1 Background and purpose
4	Comments on Paragraph 1
5	Comments on Paragraph 2
6	Comments on Paragraph 3
7	<p>Comments on Paragraph 4</p> <p>Suggest removing references that unnecessarily date the paper:</p> <p>Additionally, cyber resilience is identified as one of the IAIS’ key strategic themes under its 2020-2024 Strategic Plan. The IAIS 2025-2029 Strategic Plan, which is currently under development, also features digital innovation and cyber risks as strategic themes.</p>
8	Comments on Paragraph 5
9	<p>Comments on Paragraph 6</p> <p>Recommend the following revision to further explain what the Objectives are:</p> <p>These Objectives, as set out in Section 2, are outcomes-based, do not set out new requirements, and but rather are supporting material that provide clarity on the application of existing supervisory materials.</p>
10	<p>Comments on Paragraph 7</p> <p>As this is a pretty significant summary/definition of operational resilience, recommend setting out in bold font.</p> <p><b>An operationally resilient insurer is one that can encounter, withstand, mitigate, recover and learn from the impact of a broad range of events that have the potential to significantly disrupt the normal course of business by impacting critical services. Operational resilience takes as a premise the assumption that 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.</b></p>
11	Comments on Paragraph 8

	Section 3 as the Toolkit placeholder describes the two phases of this project, for purposes of the consultation. Suggest deleting this paragraph and revisit including such a description as part of the single Application Paper.
12	General comments on Section 1.2 How ICPs support operational resilience
13	Comments on Paragraph 9
14	<p>Comments on Paragraph 10</p> <p>To help with readability, suggest:</p> <p>A key aspect of operational resilience is that operational disruptions can have both narrow and wide-spread implications; (for example, to a functional area of the insurer, across the organisation, sector-wide, across sectors and/or across jurisdictions).</p>
15	<p>Comments on Paragraph 11</p> <p>The word choice is a bit odd; suggest:</p> <p>A number of ICPs both <del>in isolation</del> <b>individually</b> and when viewed <del>holistically</del> <b>collectively</b>, support the sound supervision...</p> <p>Add a bracket here for consistency:</p> <p>ICP 25 (Supervisory Cooperation and Coordination)</p>
16	General comments on Section 2 Objectives for insurance sector operational resilience
17	<p>Comments on Paragraph 12</p> <p>To help with readability, suggest:</p> <p>...rely on third-party services to support their operations (some of which are critical to the insurer’s business viability); and are increasingly subject to operational risks that may be systemic in nature.</p>
18	Comments on Paragraph 13
19	<p>Comments on Paragraph 14</p> <p>Suggest further expanding on what the Objective are and how they are written:</p> <p><del>While the</del> <b>The Objectives are written as an outcomes-based articulation of the application of existing ICPs; they do not set out new supervisory requirements.</b> <del>they do provide an outcomes-based articulation of the application of existing ICPs.</del> The ICP relevant to each Objective is indicated. <b>Each Objective is followed by additional relevant considerations.</b></p> <p>So it is more clear, consider moving this to a separate paragraph below and renumbering subsequent paragraphs accordingly:</p>

	While Sections 2.1 and 2.2 are directed at insurers, supervisors would also benefit from considering these outcomes when setting out their supervisory initiatives.
20	Comments on Paragraph 15
21	General comments on Section 2.1 Relationship amongst operational resilience, governance, and operational risk management  Consider including the ICP topic or hyperlinking back to ICP listing in Section 1 for each linked ICP in the subsections.
22	Comments on Section 2.1.1
23	Comments on Paragraph 16
24	Comments on Paragraph 17
25	Comments on Section 2.1.2  Revise to reinforce the Board's ultimate responsibility for ensuring that the insurer has effective systems in place and management effectively implements them.  <b><i>The Board ensures the insurer's approach to operational resilience leverages, and is integrated with, its operational risk management framework in a consistent, comprehensive and robust manner (ICP 8)</i></b>
26	Comments on Paragraph 18  Footnotes are being removed from the ICPs for consistency; for the third bullet suggest:  (eg the division of responsibilities between the business, risk management and compliance and internal audit, as referred to at ICP 8.2.4 footnote 2)
27	General comments on Section 2.2 Key elements of a sound approach to operational resilience  Consider including the ICP topic or hyperlinking back to ICP listing in Section 1 for each linked ICP in the subsections.
28	Comments on Section 2.2.1  Revise to reinforce the Board's ultimate responsibility for ensuring that the insurer has effective systems in place and management effectively implements them.  <b><i>The Board ensures the insurer identifies and maintains an up-to-date inventory of its critical services and interdependencies (ICP 8)</i></b>
29	Comments on Paragraph 19
30	Comments on Section 2.2.2

	<p>Revise to reinforce the Board's ultimate responsibility for ensuring that the insurer has effective systems in place and management effectively implements them.</p> <p><b><i>The Board ensures the insurer sets impact tolerances for disruption to its critical services (ICPs 8 and 16)</i></b></p>
31	Comments on Paragraph 20
32	<p>Comments on Section 2.2.3</p> <p>Revise to reinforce the Board's ultimate responsibility for ensuring that the insurer has effective systems in place and management effectively implements them.</p> <p><b><i>The Board ensures the insurer self-assesses and tests its ability to withstand and recover from severe operational disruption scenarios, and ensures that action is taken to improve operational resilience on the basis of lessons learnt (ICPs 8 and 16)</i></b></p>
33	Comments on Paragraph 21
34	<p>Comments on Section 2.2.4</p> <p>Revise to reinforce the Board's ultimate responsibility for ensuring that the insurer has effective systems in place and management effectively implements them.</p> <p><b><i>The Board ensures the insurer effectively manages operational incidents, including but not limited to cyber incidents, affecting critical services (ICP 8)</i></b></p>
35	Comments on Paragraph 22
36	<p>Comments on Section 2.2.5</p> <p>Revise to reinforce the Board's ultimate responsibility for ensuring that the insurer has effective systems in place and management effectively implements them.</p> <p><b><i>The Board ensures the insurer manages and mitigates the impact of technology risk to critical services by implementing an effective approach to operational resilience that addresses the phases of protection, detection, response, and recovery (ICP 8)</i></b></p>
37	<p>Comments on Paragraph 23</p> <p>Some typos/spacing issues; don't need etc with eg:</p> <ul style="list-style-type: none"> <li>• Reinforces the adoption and maintenance of good cyber hygiene practices (eg identity management, user authentication practices (such as multifactor authentication), access control, attack surface management etc);</li> <li>• Supports regular testing of the approach to operational resilience (including but not limited to cyber resilience), and incorporates effective situational awareness and threat intelligence</li> </ul>
38	Comments on Section 2.2.6

	<p>Revise to reinforce the Board's ultimate responsibility for ensuring that the insurer has effective systems in place and management effectively implements them.</p> <p><b><i>The Board ensures the insurer plans, tests, and implements changes in a controlled manner (ICP 8)</i></b></p>
39	Comments on Paragraph 24
40	<p>Comments on Section 2.2.7</p> <p>Revise to reinforce the Board's ultimate responsibility for ensuring that the insurer has effective systems in place and management effectively implements them.</p> <p><b><i>The Board ensures the insurer develops, implements, tests and updates its BCP and DRP to ensure that it can respond, recover, resume and restore to a pre-defined level of operation following a disruption in a timely manner (ICP 8)</i></b></p>
41	Comments on Paragraph 25
42	<p>Comments on Section 2.2.8</p> <p>Revise to reinforce the Board's ultimate responsibility for ensuring that the insurer has effective systems in place and management effectively implements them.</p> <p><b><i>The Board ensures the insurer effectively manages relationships with third-party service providers, including intra-group and nth-party relationships (ICPs 7 and 8)</i></b></p>
43	Comments on Paragraph 26
44	<p>General comments on Section 2.3 Objectives for insurance supervisors</p> <p>Consider including the ICP topic or hyperlinking back to ICP listing in Section 1 for each linked ICP in the subsections.</p>
45	<p>Comments on paragraph 27</p> <p>"Overseeing" may not be the best word choice here as it suggests the supervisor is responsible for insurer operational resilience. Suggest "monitoring" or "assessing."</p>
46	Comments on Section 2.3.1
47	<p>Comments on Paragraph 28</p> <p>"Siloed" does not need to be in quotations.</p>
48	Comments on Section 2.3.2
49	Comments on Paragraph 29
50	Comments on Section 2.3.3
51	<p>Comments on Paragraph 30</p> <p>Typo in the second bullet:</p>

	Integrates expectations for insurance sector operational resilience...
52	Comments on Section 2.3.4
53	Comments on Paragraph 31
54	General comments on Section 3 Toolkit supporting Objectives for Insurance Sector Operational Resilience (placeholder)