

Section/Paragraph	Comment
<b>ICP 6 Change of Control</b>	
6.0.2	Third bullet, delete comma after “investing”.
6.0.3	We support the language on proportionality in this guidance and elsewhere in ICP 6.
6.1.2	Add a comma after “insurer”.
6.2.2	For better readability, suggest revising the start of the second sentence to: “Such thresholds may improve transparency...”
6.2.6	Third sentence, for consistency, change “information required” to “information obtained”.
6.3.2	Delete extra period at the end of the paragraph.
<b>ICP 20 Public Disclosure</b>	
General	<p>The ‘supervisor should/may require’ construction is overused, and results with the guidance reading overly prescriptive. Suggest performing a general review taking these concerns into account to ensure the revised guidance in this ICP has the appropriate tone. Suggestions to revise specific text have been provided in our other comments as well.</p> <ul style="list-style-type: none"> <li>• While some revisions to guidance under ICP 20 may have been intended to be editorial or for consistency, some changes have made the guidance read overly prescriptive, especially compared to other guidance that still uses language like “it is suggested” or “it may be useful” which is more appropriate given the context of this ICP and allows for different approaches to reach similar outcomes.</li> <li>• In several places where ‘the supervisor should/may require’ is used, the guidance reflects a general explanation or expectation rather than something the supervisor would need to require.</li> <li>• It is also noted that the “supervisor” may not actually require the disclosures identified in the standards (or guidance). Rather these disclosures may be required by U.S. GAAP, SEC, IFRS, etc., and the disclosures required by those organizations may not be applicable to all reporting entities within a jurisdiction (e.g., private / mutual companies). Consideration should occur to clarify the expectation of “supervisor required disclosures” in these instances.</li> </ul> <p>The revised ICP Introduction states “should” provides more of a recommendation, whereas “may” is more of a suggestion. The existing wording in some guidance has gone from “may” to “should,” however in several instances it seems more appropriate for the guidance to remain as suggestions.</p> <ul style="list-style-type: none"> <li>• In all situations in which there is a change in intent from the current ICP (e.g., “may” to “should” or the implementation of a new disclosure expectation), these situations should be specifically identified with supporting rationale. Due to the extent of the revisions, and the absence of a tracked-change document for comparison, it is not easy to identify the sections that have editorial revisions, and the sections in which there was an explicit change of intent. In comparing the current ICP 20 to the proposed ICP 20, it seems that there are several guidance paragraphs in which the revisions ultimately reflect a change in intent without sufficient rationale in the “overview of draft revisions.”</li> </ul> <p>The following guidance sections (noted guidance paragraphs are divided by standard) have been revised in the proposed ICP 20 to reflect “require” language. In all of these paragraphs, it is recommended that the AAWG assessment these revisions to ensure the language does not inadvertently impose disclosure requirements in the guidance section. Furthermore, there is no</p>

	<p>need to reference supervisor required disclosures throughout the guidance as this creates unnecessary wordiness, and results in unintended consequences as it reads as if a supervisor would not be observing the ICP if they do not require the noted disclosure. The general language used in the current ICP (e.g., generic reference to “disclosures”) is sufficient for these recommendations and suggestions.</p> <ul style="list-style-type: none"> <li>• 20.0: 20.0.2, 20.03 and 20.0.13</li> <li>• 20.1: 20.1.1</li> <li>• 20.3: 20.3.3 through 20.3.6</li> <li>• 20.4: 20.4.2</li> <li>• 20.5: 20.5.1 through 20.5.18 (All paragraphs in this section)</li> <li>• 20.6: 20.6.1 through 20.6.11 (All paragraphs in this section)</li> <li>• 20.7: 20.7.1 through 20.7.3 (All paragraphs in this section)</li> <li>• 20.8: 20.8.1 through 20.8.9 (All paragraphs in this section)</li> <li>• 20.9: 20.9.1 through 20.9.4 (All paragraphs in this section)</li> <li>• 20.10: 20.10.2 through 20.10.4</li> <li>• 20.11: 20.11.1 through 20.11.21, excluding 20.11.4, 20.11.9, 20.11.11, and 20.11.19</li> </ul>
20.0.1 & General	<p>While public disclosures are useful to both policyholder and market participants, the level of detail and type of information that is useful to each of the groups may differ. A number of other paragraphs address both policyholders and market participants, however the guidance describes a disclosure that would be targeted more towards a market participant rather than policyholders or vice versa. This may create conflicting expectations on the level of detail and type of information to be disclosed. Suggest adding a caveat to this paragraph (or 20.0.5) to help recognize this point as well as review when “policyholder and market participants” is used in other guidance paragraphs to ensure that the guidance is intended for both groups and where it is not, specify accordingly.</p>
20.0.2	<p>The revisions to this guidance make it read as if GAAP disclosures should be required for all insurers. Suggest changing “and” to “or” when referencing the generally accepted practice as this would still allow for sufficient flexibility: “Information should be presented in accordance with applicable jurisdictional or international standards <u>or</u> generally accepted practices for public disclosures so as to aid comparisons between insurers.”</p>
20.0.9	<p>Suggest revising second sentence to begin: “It may be helpful if information is presented so as to facilitate...”</p>
20.0.13	<p>Delete first sentence as it does not seem related to the rest of the paragraph nor is it a point worth retaining from the existing guidance. Also, please see our general comment on the “supervisor require” language, which is particularly relevant for this paragraph as the revisions seem to be creating new group reporting guidance. The wording of this new reporting guidance is concerning and should be revised to retain the prior guidance, with a reference that the disclosures “could” include.</p>
20.1.1	<p>Suggest revising end of the sentence to: “...the supervisor may require that similar information is made publicly available by other means.”</p>
20.2.6	<p>Suggest revising last sentence to begin: “Insurers should avoid generic disclosures...”</p>
20.3.3	<p>As some of the disclosures described may be confidential supervisor disclosures, it is imperative that this guidance use “may” so as to avoid imposing a new public disclosure requirement. Suggest revising to: “The supervisor may require the insurer to</p>

	disclose information about its corporate structure, which may include any material changes that have taken place during the year. For insurance groups, such disclosures may focus on material aspects, both in terms of the legal entities within the corporate structure and the business functions undertaken within the group. In the event of differences in the composition of a group for supervisory purposes and for public reporting purposes, it may be useful if a description of the entities constituting those differences was also provided.”
20.3.4	Suggest revising to begin: “The insurer may disclose the key business segments...”
20.3.6	Suggest revising to begin: “The insurer may disclose information about company objectives...”
20.5.3	Suggest revising to: “Information should be disclosed about the method used to derive the assumptions for calculating technical provisions, including the discount rate used. Required disclosures may also include information about significant changes in assumptions and the rationale for the changes.”
20.5.4	In merging and streamlining the existing relevant paragraphs, it seems the meaning has changed – suggest revising the first sentence to: “Where disclosed, information about the current estimate and margin over the current estimate should include the methods used to calculate them, whether or not these components of technical provisions are determined separately.”
20.5.5	Suggest undoing revisions and begin: “It may be useful if the insurer provides an outline...”
20.5.6	Suggest revising to begin: “Required disclosures may include a description...”
20.5.7	Suggest revising to: “Where surrender values are material, the supervisor may require an insurer to disclose...”
20.5.13	Suggest revising to begin: “The supervisor may require life insurers to disclose...”
20.5.14	Suggest revising to begin: “In order to enable policyholders and market participants to evaluate trends, the supervisor could require non-life insurers...”
20.6.9	Suggest revising to begin: “Descriptions of the insurer’s risk concentration should include...”
20.7.1	Suggest revising to begin: “For the purposes of disclosure, an insurer may be required to group assets and liabilities...”
20.8.9	Suggest revising to: “In addition to breakdowns on ratings and types of credit issuers, the insurer should disclose the aggregate credit risk arising from off-balance sheet exposures.”
20.10	The existing relevant standard (20.3) states that the information encompasses “the generic solvency requirements of the jurisdiction(s) in which the insurer operates and the capital available to cover regulatory capital requirements.” The qualifier “generic” is not in the revised version and should be reinserted as otherwise this could be read to expect detailed information on capital adequacy, some of which is confidential.
20.10.2	Suggest revising to begin: “The supervisor may require the insurer to disclose information that would allow...”
20.11.6	Suggest revising to begin: “An insurer may provide statements of profit and loss...”
20.11.15	Suggest revising to begin: “Life insurers may disclose the impact of new business which represents the point-of-sale impact on net income...”
20.11.17	Suggest revising to begin: “Life insurers may disclose the impact on earnings...”
20.12.1	Delete the comma after “specific practices”