

Section/Paragraph	Comment
8.1	While U.S. state insurance supervisors understand the importance of formalizing a risk management system through policies and procedures, we are concerned that a standard requiring an insurer to operate within an “appropriately documented” risk management system could be interpreted broadly and result in unnecessary and overly burdensome documentation requirements for insurers. Additionally, there is limited guidance provided for use in determining whether a risk management system is appropriately documented. Suggest removing the term “appropriately documented” from this standard.
CF8.1a	Due to the wide-range of management practices and governance approaches in place across insurance groups (e.g., centralized, decentralized, federated, etc.), ComFrame standards should allow some flexibility for insurance groups in determining the level at which risk management policies, procedures and limits are set. It is unclear from the standard and the guidance provided what constitutes a difference in risk management and whether there is a threshold (all? material?) for when a difference should be documented. Suggest providing clarity here.
CF8.1a.2	This guidance is somewhat unclear. Should the IAIG document these things in general or document differences among these items that may apply to different legal entities? If it is the former, the guidance does not seem to fit here; if it is the latter, suggest clarifying.
8.1.13	The language in this paragraph includes a requirement for an insurer’s risk management policy to “clearly address the relationship between pricing, product development and investment management” in order for these factors to be appropriately aligned. While we agree that the alignment of these factors is critical for many life insurance products, they are not typically as relevant or critical for many other types of insurance products. Suggest that the language be modified to either remove the prescriptiveness or clarify that it is only expected for certain life insurance products where it would be most beneficial.
8.2	Similar to our comment on 8.1, we are concerned that a standard requiring an insurer to operate within an “appropriately documented” system of internal controls could be misinterpreted, resulting in unnecessary and overly burdensome documentation requirements for insurers. Suggest removing the term “appropriately documented” from this standard.