

INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE

International Insurance Relations (G) Committee Nov. 17, 2024, Minutes

International Insurance Relations (G) Committee Oct. 22, 2024, Minutes (Attachment One)

NAIC Comments on IAIS Public Consultations on Climate Risk Supervisory Guidance (Attachment One-A)

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Draft Pending Adoption

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International Insurance Relations (G) Committee
Denver, Colorado
November 17, 2024

The International Insurance Relations (G) Committee met in Denver, CO, Nov. 17, 2024. The following Committee members participated: Eric Dunning, Chair (NE); Dean L. Cameron, Co-Vice Chair (ID); Justin Zimmerman, Co-Vice Chair (NJ); Lori K. Wing-Heier (AK); Ricardo Lara (CA); Andrew N. Mais (CT); Michael Yaworsky (FL); John F. King (GA); Vicki Schmidt represented by Kyle Strathman (KS); Michael T. Caljouw (MA); Anita G. Fox (MI); Chlora Lindley-Myers (MO); Glen Mulready (OK); and Carter Lawrence (TN). Also participating was Scott A. White (VA).

1. Adopted its Oct. 22, Oct. 8, Sept. 24, and Summer National Meeting Minutes

The Committee met Oct. 22, Oct. 8, and Sept. 24. During these meetings, the Committee discussed NAIC comments on the following International Association of Insurance Supervisors (IAIS) public consultations: 1) a draft application paper on operational resilience objectives; 2) proposed changes to reflect climate risk in selected Insurance Core Principle (ICP) guidance and supporting material; and 3) a draft application paper on how to achieve fair treatment for diverse consumers.

Director Dunning also noted that Committee members met Nov. 1 in regulator-to-regulator, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to give members an update on the IAIS comparability assessment process

Director Fox made a motion, seconded by Commissioner Zimmerman, to adopt the Committee's Oct. 22 (Attachment One), Oct. 8 (Attachment Two), Sept. 24 (Attachment Three), and Aug. 13 (*see NAIC Proceedings – Summer 2024, International Insurance Relations (G) Committee*) minutes. The motion passed unanimously.

2. Adopted its 2025 Proposed Charges

Director Dunning introduced the Committee's 2025 proposed charges, noting they remain the same as the 2024 Committee charges.

Commissioner Lara made a motion, seconded by Director Wing-Heier, to adopt the Committee's 2025 proposed charges (Attachment Four). The motion passed unanimously.

3. Heard an Update on the Conclusions of the IAIS Comparability Assessment

Commissioner White provided a summary of the conclusion of the comparability assessment of the aggregation method (AM) to the IAIS insurance capital standard (ICS). He began with a brief review of the timeline over the past few months leading up to the comparability conclusion and said the final ICS is to be adopted at the upcoming IAIS Annual General Meeting on Dec. 5 in Cape Town, South Africa. He referenced the NAIC's position statement on the conclusion of the comparability assessment (Attachment Five), reiterating that being able to reach a decision on comparability and finalizing the ICS at the same time was a key priority for the NAIC.

Commissioner White explained the assessment process and highlighted some areas where work as part of the implementation of the final AM will help ensure convergence. In its own press release, the IAIS said the conceptual frameworks of the provisional AM and ICS are different and needed to be evaluated with the acceptance of these differences in mind. Commissioner White said the number of areas where the provisional AM provided

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comparable outcomes clearly outweighed those needing work in order for the IAIS to find the AM as providing a basis for the implementation of the ICS to produce comparable outcomes.

Commissioner White concluded with an overview of the upcoming implementation process. He said the NAIC will work on its approach to the AM as the U.S. implementation of the ICS through the group capital calculation (GCC). He noted other jurisdictions will be in the process of implementing the ICS into their supervisory regimes and that the IAIS will be working on developing an implementation assessment framework for the ICS.

Mariana Gomez-Vock (American Council of Life Insurers—ACLI) congratulated state insurance regulators and the NAIC on the comparability achievement. She said the ACLI appreciates regulators' commitment to a group capital assessment that preserves the U.S. state-based system. Gomez-Vock also said the ACLI is willing to help and engage in implementing the AM. She concluded by inviting committee members to the Global Federation of Insurance Associations (GFIA) reception in Cape Town, South Africa, during the IAIS Annual Conference next month.

4. Heard an Update on the Activities of the IAIS

Director Dunning gave an update on IAIS activities, beginning with a review of recent committee meetings hosted by the NAIC in Washington, DC, in September. He said the Macprudential Committee of the IAIS conducted its annual collective discussion, which included presentations from relevant group-wide supervisors on two sector-wide themes: 1) managing interest rate, liquidity, and credit risks in a challenging macroeconomic environment and 2) structural shifts in the life insurance sector, which includes increased allocation of capital to alternative assets and asset-intensive reinsurance. The executive committee of the IAIS continued the collective discussion, as well as provided feedback on its draft Roadmap 2025-2026, which lays out workplans and activities for the IAIS over the next two years. The executive committee also held its annual strategic discussion, which included internal governance and stakeholder engagement considerations related to implementing the 2025-2029 strategic plan and financial outlook.

Next, Director Dunning said the IAIS published an aggregate report for its peer review assessment of ICP 16 (Enterprise Risk Management for Solvency Purposes). Director Dunning said the report is available on the IAIS website and thanked Susan Berry (IL) for her work serving on the expert team. On operational resiliency, the IAIS is preparing a toolkit to accompany objectives for sound operational resilience in the insurance sector, which were recently subject to public consultation. Once completed, the toolkit and objectives will be combined to form an application paper to assist IAIS members and insurers in improving their operational resilience frameworks. At the IAIS Fintech Forum, Director Dunning noted an application paper on artificial intelligence (AI)/machine learning (ML) has been drafted and should be released for public consultation shortly.

5. Heard an Update on International Activities

Director Cameron summarized recent international activities. In September, the NAIC and the United Kingdom's (UK's) Prudential Regulatory Authority (PRA) and Financial Conduct Authority (FCA) held their annual bilateral meeting in London, England, to discuss strategic priorities on issues of mutual interest. Additionally, the NAIC will be concluding the year with several bilateral discussions on the sidelines of the IAIS meetings in Cape Town, South Africa, in December.

Director Cameron spotlighted the NAIC's International Fellows Program, which recently concluded its fall 2024 session. He reported that eight fellows were welcomed to the U.S. from five jurisdictions: Bahamas, Bermuda, Saudi Arabia, Taiwan, and Thailand. He thanked Connecticut, Missouri, Nebraska, Ohio, Rhode Island, and

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Washington, DC, for hosting the fellows over five weeks and providing them with the opportunity to immerse themselves in the state-based system of insurance regulation in the U.S.

Regarding the European Union (EU)-U.S. Insurance Dialogue Project, the workstream on climate risk and resilience is exploring access to data and underwriting to promote climate resilience as well as catastrophe risk modeling and how to improve knowledge and transparency. Director Cameron noted that though it is outside of the scope of the project but derived from its discussions, the Center for Insurance Policy and Research (CIPR) staff contributed to a European Insurance and Occupational Pensions Authority (EIOPA) training for EU supervisors on catastrophe models in October.

Next, Commissioner Zimmerman reported on NAIC participation in recent international events, including:

- The Taiwan Insurance Institute’s East Asia Pacific Insurance Forum 2024 Forum on Aug. 20. Director Fox participated on a panel that addressed a variety of topics, including the Affordable Care Act (ACA) marketplaces, cyber security, and long-term care insurance (LTCI). Ahead of the forum, on Aug. 19, Director Fox met with representatives from Taiwan’s Financial Supervisory Commission to exchange views on the future of health insurance, including the development of “digital insurers.”
- The Association of Bermuda Insurers and Reinsurers (ABIR) 17th Annual International Insurance Regulatory Dialogue from Sept. 5-6 in Hamilton, Bermuda. On a series of panel discussions, Commissioner Mais provided insights on the U.S. reinsurance market. Director Dwyer discussed the impact of women leaders in the insurance industry, and Director Cameron highlighted ongoing regulatory developments and their potential effects on reinsurance.
- The Bank of England’s Centre for Central Banking Studies Workshop for Heads of Insurance Supervision in London, England, from Sept. 10-11. Patrick Smock (RI) delivered a presentation on the NAIC and U.S. state insurance supervisors’ efforts in expanding public-private partnerships to close insurance protection gaps.
- The International Monetary Fund (IMF) Annual Meeting in Washington, DC, on Oct. 26. Commissioner Mais participated in the high-level panel “Climate Change Protection Gaps and the Insurance Sector,” noting that coverage gaps are global and affect all levels of society. He cited a number of causes for the gaps and discussed the efforts of the NAIC and state insurance regulators in using data to identify protection gaps in their respective jurisdictions and educating consumers on enhancing resilience.

6. Heard an Update on International Climate-Related Activities

Director Wing-Heier reported that the NAIC continues to participate in workstreams on transition plans and on capital and supervisory frameworks at the Sustainable Insurance Forum (SIF). She summarized the SIF transition plans working group’s recently released report, “Supervisory Thinking on Insurance-Related Climate Transition Plans,” which offers insights into the current supervisory landscape regarding transition plans. The next in-person SIF meeting will be in Cape Town, South Africa, on Dec. 1.

Next, Director Wing-Heier reviewed a panel discussion she participated in, “Priorities for Developing Transition Finance,” at the Eurofi Financial Forum 2024 in Budapest, Hungary, on Sept. 11. The main discussion items were around defining transition finance, discussing existing tools and strategies, necessary developments for transition finance, and how better coordination and standardization of transition finance instruments can be achieved globally. Director Wing-Heier noted she spoke about the NAIC’s National Climate Resilience Strategy, as well as the actions being taken to ensure regulatory convergence where appropriate across borders.

Commissioner Lara gave a review of the inaugural Global Asia Insurance Partnership (GAIP) Summit on Oct. 15-16 in Singapore, where he participated in a panel discussion on addressing protection gaps. In his remarks, he highlighted the NAIC’s National Climate Resilience Strategy and noted many supervisors and regulators took an

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interest in the resiliency programs led by state regulators. The summit focused on growing interest in new strategies to close protection gaps, including new types of products, like parametric insurance, inclusive insurance, and microinsurance. Commissioner Lara said reducing risks and funding resilience are two areas where state regulators can prove to be invaluable resources at the international level and where further international credibility in U.S. leadership can be reinforced.

7. Discussed Other Matters

Commissioner King reviewed a recent speaking engagement at the Global Insurance Fraud Summit in Singapore on Nov. 11. He participated on a panel that discussed fighting fraud domestically and internationally, and he provided an overview of the regulatory environment in the U.S. and its ability to collaborate with the global antifraud industry.

Having no further business, the International Insurance Relations (G) Committee adjourned.

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International Insurance Relations (G) Committee
Virtual Meeting
October 22, 2024

The International Insurance Relations (G) Committee met Oct. 22, 2024. The following Committee members participated: Eric Dunning, Chair (NE); Dean L. Cameron, Co-Vice Chair (ID); Justin Zimmerman, Co-Vice Chair (NJ); Lori K. Wing-Heier (AK); Ricardo Lara (CA); Andrew N. Mais (CT); Michael Yaworsky represented by Ray Spudeck (FL); Gordon I. Ito (HI); Vicki Schmidt (KS); Kevin P. Beagan represented by John Turchi (MA); Chlora Lindley-Myers (MO); and Glen Mulready (OK).

1. Adopted a Motion to Approve NAIC Comments on the IAIS Public Consultations on Climate Risk Supervisory Guidance

Director Dunning explained that the International Association of Insurance Supervisors (IAIS) is conducting a fourth and final public consultation on climate risk-related supervisory guidance. This consultation includes proposed new supporting material to better reflect climate-related risk as part of effective supervisory practice. He said it covers issues related to supervisory reporting and public disclosure, as well as macroprudential considerations and supervisory cooperation.

Director Dunning said the NAIC's initial draft comments are based on an internal review of the consultation documents by NAIC staff and members of the Solvency Workstream of the NAIC's Climate and Resiliency (EX) Task Force. The initial draft comments were circulated in advance of the meeting, and no further input for consideration from state insurance regulators or interested parties was received.

Gita Timmerman (NAIC) provided an overview of the NAIC's comments on the draft application paper, noting that most were minor and editorial. She explained a comment to include a brief excerpt of the NAIC Climate Risk Disclosure Survey as a jurisdictional example in a section of the paper on fundamental principles of a climate-related risk disclosure framework.

Steve Broadie (American Property Casualty Insurance Association—APCIA) commented that the NAIC's comments were consistent with those of the APCIA and Global Federation of Insurance Associations (GFIA). He suggested the committee reevaluate the inclusion of an existing example in the paper on the U.S. Securities and Exchange Commission (SEC) adopted rules to enhance and standardize climate-related disclosures by public companies and in public offerings.

In response to this suggestion, Julie Gann (NAIC) explained that the SEC rules are currently on hold due to pending litigation, and there is too much uncertainty around their validity and implementation timeframe. Gann agreed that an NAIC comment to suggest removing the existing SEC example from the paper would be appropriate.

Director Cameron made a motion, seconded by Commissioner Lara, to include a new comment suggesting deletion of the SEC example in the draft application paper. The motion passed unanimously.

Commissioner Mulready asked for clarification on how the paper will be finalized at the IAIS. Timmerman explained following the public consultation comment period and the review of submitted comments, the IAIS executive committee will then have the chance to review the final version of the application paper, prior to its approval. This process is expected to happen in early 2025.

Commissioner Lara made a motion, seconded by Commissioner Mais, to approve the submission of the NAIC's comments with the approved additional comment (Attachment One-A). The motion passed unanimously.

2. Discussed Other Matters

Director Dunning reminded members of an upcoming event, Insurtech on the Silicon Prairie (ISP), which will be held in Omaha, Nebraska, Oct. 28–29.

Having no further business, the International Insurance Relations (G) Committee adjourned.

NAIC Support Staff Hub/Committees/G CMTE/National Meetings/2024/Denver - Fall National Meeting

Questions for public consultation on draft Application Paper on public disclosure and supervisory reporting of climate risk

Thank you for your interest in the public consultation on draft application paper on climate scenario analysis in the insurance sector. 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	General comments draft Application Paper on public disclosure and supervisory reporting of climate risk
2	General comments on section 1 Introduction
3	<p>Comments on section 1.1 Context and objective</p> <p>Suggest the following clarifications and editorial changes to Para. 2:</p> <p>The IAIS acknowledges climate change is and will continue to be a driver of risk for insurers and therefore it is important that it consideration of its impacts be integrated into the traditional risk categories (eg underwriting, reserving, credit, market, liquidity risk etc).</p> <p>In the case of climate-related risks, i It is therefore important that climate-related risk disclosures be well explained so that they are meaningful and useful for policyholders and market participants in so that they can making make well-informed decisions on insuring risks with and providing resources to, respectively, the insurer.</p>
4	Comments on section 1.2 Scope and paper structure
5	<p>Comments on section 1.3 Related work by the IAIS</p> <p>Suggest combining the first two sentences in Para. 7:</p> <p>As climate change is a source of financial risk which has the potential to affect the resilience of individual insurers and financial stability, it is a key strategic theme for the IAIS.</p>
6	Comments on section 1.4 Proportionality
7	General comments on section 2 Developing a disclosure regime
8	Comments on section 2.1 Climate-related risk financial disclosures: materiality and relevance
9	Comments on section 2.2 Link to international standards
10	<p>Comments on section 2.3 Fundamental principles of a climate-related risk disclosure framework</p> <p>Suggest the following editorial change to Para.19:</p> <p>Concentration risk: Consistent with ICP 20.6.6, where small insurers have concentrated exposures to certain climate perils either due to due either to geographical or economic sector concentrations which would be considered material by users, they will need to be disclosed.</p>

	<p>Suggest rephrasing the sentence as follows: Different disclosure costs: Existing climate disclosure regimes acknowledge the fact that the costs and burden associated with providing disclosures on different climate-relevant topics may vary.</p> <p>Box 3: Since the SEC rules on climate related disclosures are indefinitely stayed in response to several court filings, propose eliminating excerpt on SEC rules on climate related disclosures and replacing it with an excerpt of the NAIC Climate Risk Disclosure Survey:</p> <p>In the US insurance sector, back in 2022, the NAIC approved a revised Climate Risk Disclosure Survey aligning it to the TCFD framework. In 2024, for the 2023 reporting year, 29 states/territories participated, representing approximately 85% of direct written premium annually in the US. States participating in the Survey require insurers licensed to do business within the state and annually writing at least \$100 million direct written premium to complete the Survey.</p>
11	<p>Comments on section 2.4 Recommendations</p> <p>Suggest rephrasing the sentence as follows for clarification to Para.22:</p> <p>Consistent with existing disclosure standards, climate disclosures should include appropriate indicators (metrics) that are relevant and meaningful for market participants and policyholders.</p>
12	<p>General comments on section 3 Public disclosure of decision useful climate information</p>
13	<p>Comments on section 3.1 Climate information</p>
14	<p>Comments on section 3.2 Disclosure of scenario analysis results</p>
15	<p>Comments on section 3.3 Key criteria to improve the decision usefulness of indicators</p>
16	<p>Comments on section 3.4 Climate adaptation</p>
17	<p>Comments on section 3.5 Recommendations</p>
18	<p>General comments on section 4 Considerations for supervisory reporting of climate-related risks</p>
19	<p>Comments on section 4.1 Understanding different climate-related risks</p>
20	<p>Comments on section 4.2 Supervisory reporting examples</p>
21	<p>Comments on section 4.3 Supervisor-level data issues</p>
22	<p>Comments on section 4.4 Group versus entity level reporting</p>
23	<p>Comments on section 4.5 Supervisory actions in response to information received</p>
24	<p>Comments on section 4.6 Recommendations</p> <p>Suggest the following editorial change to Para. 55:</p>

	Consistent with ICP 9.0.2, supervisors should, when necessary , needs be , provide their staff with the tools and training to understand how to interpret and challenge assumptions presented in the reporting of climate-related risk.
25	General comments on section 5 Governance for climate-related risk disclosure
26	Comments on section 5.1 Setting regulatory governance expectations and exploring governance structures
27	General comments on section 6 Data issues and limitations in climate-related risk disclosures
28	Comments on section 6.1 Data issues in climate-related risks
29	Comments on section 6.2 Insurer-level data issues
30	Comments on section 6.3 Disclosure constraints
31	Comments on section 6.4 Possible actions from supervisors to address data issues
32	Comments on section 6.5 Possible actions from supervisors to address disclosure constraints
32	Comments on section 6.6 Assurance of climate-related risk disclosures
33	Comments on section 6.7 Recommendations

Questions for public consultation on draft supporting material on macroprudential and group supervisory issues and climate risk

Thank you for your interest in the public consultation on draft application paper on climate scenario analysis in the insurance sector. 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

ICP 24 (Macroprudential Supervision) guidance material	
1	General comments on the draft climate risk ICP 24 related supporting material
2	<p>Comments on climate change and financial stability risks</p> <p>Suggest the following editorial change to Para. 8:</p> <p>For instance, if the effective transition to a more sustainable or net zero economy is delayed, this may increase the probability that physical risks will materialise, including in the severity and frequency of physical risk events.</p>
3	Comments on data collection for macroprudential purposes
4	Comments on risk dashboard for monitoring climate-related vulnerabilities
5	Comments on data analysis for macroprudential purposes
6	Comments on supervisory response
ICP 25 (Supervisory Cooperation and Coordination) guidance material	
7	General comments on the draft climate risk ICP 25 related supporting material
8	Comments on group considerations for data collection

Draft: 10/25/24

International Insurance Relations (G) Committee
Virtual Meeting
October 8, 2024

The International Insurance Relations (G) Committee met Oct. 8, 2024. The following Committee members participated: Eric Dunning, Chair (NE); Dean L. Cameron, Co-Vice Chair (ID); Justin Zimmerman, Co-Vice Chair, represented by Trish Wallace (NJ); Lori K. Wing-Heier represented by Molly Nollette (AK); Ricardo Lara represented by Mike Peterson (CA); Andrew N. Mais represented by William Arfanis (CT); Michael Yaworsky represented by Anoush Brangaccio (FL); John F. King represented by Bryce Rawson (GA); Vicki Schmidt (KS); Kevin P. Beagan represented by John Turchi (MA); Anita G. Fox represented by Steve Mayhew (MI); Chlora Lindley-Myers (MO); Glen Mulready (OK); and Carter Lawrence represented by Trey Hancock (TN).

1. Adopted a Motion to Approve NAIC Comments on the Current IAIS Public Consultation

Director Dunning explained that the International Association of Insurance Supervisors (IAIS) is conducting a public consultation on its draft application paper on operational resilience objectives and toolkit. He said the application paper was drafted by the IAIS Operational Resilience Working Group and is intended to compliment the strategic theme of cyber resilience under the IAIS 2020-2024 Strategic Plan.

Director Dunning explained that the paper addresses stakeholder feedback from a May 2023 issues paper on insurance sector operational resilience. He said the IAIS has developed operational resilience objectives for the insurance sector, with the aim of providing a sound and consistent foundation to support supervisory authorities in developing and strengthening their approaches to supervising insurers' operational resilience.

Director Dunning said the NAIC's initial draft comments are based on an internal review of the draft application paper by NAIC staff and comments from members of the NAIC's Cybersecurity (H) Working Group. The initial draft comments were circulated in advance of the meeting, and no further input for consideration from state insurance regulators or interested parties was received.

Ryan Workman (NAIC) provided an overview of the NAIC's comments on the consultation documents, noting that some were minor and editorial. He highlighted comments that suggest better explaining that the objectives are written as an outcomes-based articulation of the application of existing Insurance Core Principles (ICPs). Workman also noted several comments that reinforce the board's ultimate responsibility for ensuring that the insurer has effective systems in place and senior management effectively implements them.

Director Cameron made a motion, seconded by Commissioner Mulready, to approve the submission of the NAIC's comments (Attachment Two-A). The motion passed unanimously.

Having no further business, the International Insurance Relations (G) Committee adjourned.

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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>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.</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 in isolation individually and when viewed holistically collectively, 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>While the The Objectives are written as an outcomes-based articulation of the application of existing ICPs; they do not set out new supervisory requirements. they do provide an outcomes-based articulation of the application of existing ICPs. The ICP relevant to each Objective is indicated. Each Objective is followed by additional relevant considerations.</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. <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>
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. <i>The Board ensures the insurer identifies and maintains an up-to-date inventory of its critical services and interdependencies (ICP 8)</i>
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><i>The Board ensures the insurer sets impact tolerances for disruption to its critical services (ICPs 8 and 16)</i></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><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></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><i>The Board ensures the insurer effectively manages operational incidents, including but not limited to cyber incidents, affecting critical services (ICP 8)</i></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><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></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"> • 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); • Supports regular testing of the approach to operational resilience (including but not limited to cyber resilience), and incorporates effective situational awareness and threat intelligence
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><i>The Board ensures the insurer plans, tests, and implements changes in a controlled manner (ICP 8)</i></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><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></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><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></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)

Draft: 10/2/24

International Insurance Relations (G) Committee
Virtual Meeting
September 24, 2024

The International Insurance Relations (G) Committee met Sept. 24, 2024. The following Committee members participated: Eric Dunning, Chair (NE); Justin Zimmerman, Co-Vice Chair (NJ); Lori K. Wing-Heier (AK); Ricardo Lara (CA); Andrew N. Mais represented by William Arfanis (CT); Michael Yaworsky (FL); John F. King (GA); Kevin P. Beagan (MA); Anita G. Fox represented by Steve Mayhew (MI); Chlora Lindley-Myers (MO); and Carter Lawrence (TN).

1. Adopted a Motion to Approve NAIC Comments on the Current IAIS Public Consultation

Director Dunning explained that the International Association of Insurance Supervisors (IAIS) is conducting a public consultation on its application paper on fair treatment for diverse consumers. He said the application paper was drafted by the IAIS's Market Conduct Working Group and is intended to provide supervisors, insurers, and intermediaries with a diversity, equity, and inclusion (DE&I) perspective when interpreting and fulfilling existing requirements of Insurance Core Principle (ICP) 19 (Conduct of Business) so that fair treatment is achieved for diverse consumers. Director Dunning explained that the paper complements the IAIS's previous application paper on supervising DE&I from the governance, risk management, and culture perspectives, which had its own public consultation earlier this year.

Director Dunning said the NAIC's initial draft comments are based on an internal review of the draft application paper by NAIC staff and comments from members of the NAIC's Market Regulation and Consumer Affairs (D) Committee. The initial draft comments were circulated in advance of the meeting, and no further input for consideration from state insurance regulators or interested parties was received.

Ryan Workman (NAIC) provided an overview of the NAIC's comments on the consultation documents, noting that some were minor and editorial. He explained comments on the use of the word "suitability" in a few instances in the paper, noting that the term should be reconsidered since it has a specific meaning in the US. Workman also noted that other comments focused on clarifying wording and consistency.

Commissioner Lara suggested adding a reference in the section on related IAIS activities to work on closing protection gaps, given the role it plays in protecting vulnerable consumers. The Committee was favorable to the addition.

Commissioner Lawrence inquired as to whether the paper provides a proper understanding of DE&I and an explanation of what the term does and does not cover. Workman noted that the paper includes definitions for the terms being used and that there are sections that provide further context. Commissioner Lawrence noted he would review the paper to get a better understanding of how DE&I is being referred to in the market conduct space but did not have any specific comments to propose.

Director Dunning reminded Committee members that state insurance departments are individual members of the IAIS and have the ability to submit comments directly during public consultations.

Director Lindley-Myers made a motion, seconded by Commissioner Lara, to approve the submission of the NAIC's comments, including the addition of the proposed comment on ongoing work related to protection gaps (Attachment Three-A). The motion passed with one abstention by Commissioner Lawrence.

Having no further business, the International Insurance Relations (G) Committee adjourned.

NAIC Support Staff Hub/Committees/G CMTE/National Meetings/2024/Denver - Fall National Meeting

Questions for public consultation on draft Application Paper on how to achieve fair treatment for diverse consumers

Thank you for your interest in the public consultation on draft application paper on how to achieve fair treatment for diverse consumers. 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	General comments on the Application Paper
2	Comments on section 1.1 Context and objective
3	Comments on Box 1: Interpretation of key terms in this paper
4	<p>Comments on section 1.2 Related work by the IAIS</p> <p>Para 8, as the status of the papers will change in the near future, suggest making the wording more evergreen:</p> <p>This paper is part of ongoing IAIS work in service of this. Other work includes:</p> <ul style="list-style-type: none"> • The IAIS Governance Working Group’s (GWG) application paper focused on the supervision of institutional DEI in insurers and the link between DEI within insurers and their governance (ICP 7), risk management (ICP 8) and corporate culture; and • The IAIS Financial Inclusion Forum’s (FIF) updated version of an application paper originally published in 2012 on regulation and supervision supporting inclusive insurance markets. <p>Suggest a reference in this section to work and/or the strategic theme of protection gaps at the IAIS.</p>
5	Comments on section 1.3 Proportionality and jurisdictional specificities
6	Comments on section 1.4 Scope of this application paper
7	Comments on section 2.1 Risk-based pricing and DEI
8	Comments on section 2.2 Insurer’s autonomy to decide the scope of its business and DEI
9	Comments on section 3 Risk of unfair treatment of diverse consumers
10	Comments on section 3.1 What we mean by diverse consumers
11	Comments on section 3.2 How unfair treatment arises
12	<p>Comments on Box 2: Examples of diverse consumers excluded from insurance products or encountering difficulties</p> <p>Suggest moving the last paragraph (“These examples highlight...”) to the beginning of the box as it provides a good explanation / context for the rest of the box’s content.</p>
13	<p>Comments on section 4 Implementation of ICP 19 to drive fair treatment of diverse consumers</p> <p>Para 29, it seems a word may be missing or this could be drafted more clearly otherwise:</p> <p>However, while it may be desirable from a societal, reputational and/or trust/confidence perspective, there is no requirement under ICP 19 that ensures every diverse consumer will always find an insurance product that meets all their needs.</p>

14	<p>Comments on section 4.1 Embedding fair treatment of diverse consumers into the business culture</p> <p>Para 36, there are likely a number of ways to ensure fair treatment of diverse consumers, so it’s not clear how this particular way was deemed the “most effective”; if this is based on some research, then it should be cited – otherwise, suggest: Active prioritisation of DEI considerations is an effective way to ensure fair treatment of diverse consumers.</p> <p>Para 37, second bullet, it is not clear what a “professional” complaints procedure is. Is this referring to a “formal” procedure? Suggest clarifying.</p>
15	<p>Comments on Box 3: Unconscious biases and stereotypes</p>
16	<p>Comments on section 4.2 Ensuring the fair treatment of diverse consumers in product design</p> <p>Para 39, the statement of products being detrimental to certain consumers may be a bit too strong of a statement. Suggest clarifying.</p>
17	<p>Comments on section 4.2.1 Identifying whether there are diverse consumers within the targeted consumers</p> <p>Recommendations, last bullet, suggest streamlining the wording: ...certain consumers should be excluded from the target group in order to protect diverse consumers from buying ill-suited products.</p> <p>Para 47, since the term “suitability” in the U.S. has a specific meaning, recommend the following change: If considerations of diverse consumers are not part of the product approval or product testing process, there is a risk that the product may not offer value and/or may be unsuitable inappropriate for diverse consumers. For example, a product may not offer reasonably expected benefits and coverage because of the differing needs of diverse consumers.</p>
18	<p>Comments on section 4.2.2 Determining whether the coverage, benefits, disclosures and pricing are aligned to the needs of the diverse consumers amongst the target group</p>
19	<p>Comments on Box 4: Considerations on technology and data</p>
20	<p>Comments on section 4.2.3 Designing appropriate product distribution methods</p>
21	<p>Comments on section 4.3 Securing appropriate sales and distribution to diverse consumers</p>
22	<p>Comments on section 4.3.1 Marketing communications and disclosures that account for diverse consumers</p> <p>Recommendations, last bullet, suggest clarifying the wording: Insurers and intermediaries should examine how their marketing and disclosure communications and techniques are used and the impact they have on diverse consumers. This should include whether certain techniques may lead to diverse consumers feeling pressured to buy a product or being misled or misinformed about a product.</p>

23	Comments on section 4.3.2 Deploying the distribution strategy appropriately
24	Comments on Box 5: The human approach
25	<p>Comments on section 4.3.3 Advice and suitability for diverse consumers</p> <p>Para 57, since the term “suitability” in the U.S. has a specific meaning, recommend the following change:</p> <p>Certain products may not be suitable appropriate for diverse consumers because of their diverse characteristics. Hence, additional care is needed to ensure that the needs of the diverse consumers are duly taken into account when providing advice.</p>
26	Comments on section 4.4 After-sale servicing, product monitoring and review
27	<p>Comments on section 4.4.1 Communication and assistance that account for diverse customers</p> <p>Para 67, there is not a clear distinction made between a ‘vulnerable or otherwise diverse’. Suggest clarifying.</p>
28	<p>Comments on section 4.4.2 Product monitoring and review that detects and addresses unfair treatment of diverse customers</p> <p>Para 69, given this is an application paper, it cannot use wording that suggests a requirement; if this tracks to a standard, then it should be referred to and/or quoted:</p> <p>Existing products must should be reviewed and updated periodically, particularly after changes in laws and regulation or after key performance indicators signal the need to do so, including because of unfair treatment of diverse consumers.</p> <p>Recommendations, first bullet, the last sentence makes a good point, but one that is likely relevant to other parts/recommendations of the paper. Consider moving this point to follow Para 30 (or another suitable place) and expand a bit:</p> <p>To the extent efforts by insurers or intermediaries to monitor and/or address fair treatment of diverse consumers uses personal data, such efforts need to adhere to any applicable personal data protection requirements.</p>
29	Comments on section 4.4.3 Claims procedures that are inclusive
30	Comments on section 4.4.4 Complaints procedures that are inclusive
31	Comments on section 4.5 Working towards greater inclusion of diverse consumers across the insurance sector
32	<p>Comments on section 4.5.1 Shaping the supervisory landscape</p> <p>Are the last two paragraphs supposed to be numbered? Or are they part of the bulleted list?</p>
33	Comments on section 4.5.2 Facilitating market development
34	Comments on section 5 Conclusion

Draft: 10/23/24

Adopted by the Executive (EX) Committee and Plenary, Nov. 19, 2024

Adopted by the International Insurance Relations (G) Committee, Nov. 17, 2024

2025 Charges

INTERNATIONAL INSURANCE RELATIONS (G) COMMITTEE

The mission of the International Insurance Relations (G) Committee is to: 1) coordinate NAIC participation in discussions on international activities and issues and the development of insurance regulatory and supervisory standards and other materials; 2) promote international cooperation; 3) coordinate on international insurance matters with the U.S. federal government, including the U.S. Department of the Treasury (Treasury Department), the Federal Reserve Board (FRB), the Office of the U.S. Trade Representative (USTR), the U.S. Department of Commerce (DOC), and other federal agencies; and 4) provide an open forum for NAIC communication with U.S. interested parties, stakeholders, and among its members on international insurance matters.

Ongoing Support of NAIC Programs, Products or Services

1. The International Insurance Relations (G) Committee will:

- A. Monitor and assess activities at international organizations, such as the International Association of Insurance Supervisors (IAIS), the Financial Stability Board (FSB), the Organisation for Economic Co-operation and Development (OECD), and the Sustainable Insurance Forum (SIF), that affect U.S. insurance regulation, U.S. insurance consumers, and the U.S. insurance industry.
- B. Support and facilitate the participation of state insurance regulators and the NAIC in relevant workstreams of international organizations.
- C. Develop NAIC policy on international activities and issues, coordinating, as necessary, with other NAIC committees, task forces, and working groups and communicating key international developments to those NAIC groups.
- D. Coordinate and facilitate state efforts to participate in key bilateral and multilateral dialogues, projects, conferences, and training opportunities with international regulators and international organizations, both directly and in coordination with the federal government, as appropriate.
- E. Strengthen foreign regulatory systems and relationships by interacting with international regulators and sharing U.S. supervisory best practices, including conducting outreach, an International Fellows Program and educational (technical assistance) seminars to provide an understanding of the U.S. state-based system of insurance regulation.
- F. Coordinate the NAIC's participation in the International Monetary Fund (IMF)/World Bank Financial Sector Assessment Program (FSAP).
- G. Coordinate state efforts to assist in achieving U.S. international trade objectives through reviewing relevant materials, developing input, and providing assistance and expertise on insurance matters to the USTR and/or other federal entities.

NAIC Support Staff: Ryan Workman/Nikhail Nigam

November 2024

NAIC Position Statement on the Conclusion of the IAIS AM Comparability Assessment

The International Association of Insurance Supervisors (IAIS) has successfully concluded the process which has determined that the Aggregation Method (AM) provides a basis for implementation in the U.S. of the Insurance Capital Standard (ICS) to produce comparable outcomes.

The finalization of the ICS and conclusion of the AM comparability assessment is a major milestone for the IAIS. It reflects the commitment of the international insurance supervisory community to moving forward together and the importance of having appropriate jurisdictional flexibility. Reaching this milestone is also a testament to the resolve of insurance supervisors to collaborate on setting standards that protect policyholders and enhance global financial stability.

In reaching an agreement, the IAIS has stated:

"In finalising the comparability assessment, the IAIS has concluded that a US AM provides a basis for implementation of the ICS to produce comparable outcomes. The comparability assessment of the provisional AM has highlighted some areas where work as part of implementation of the final AM will help ensure convergence, specifically treatment of interest rate risk and appropriate timing of supervisory intervention. In using the final AM as its implementation of the ICS, the US commits to addressing those areas in appropriate ways, which will be reviewed during the IAIS ICS implementation assessment process."

The agreement is important in noting that the comparability assessment process is complete and that decisions on both AM comparability and finalization of the ICS were made at the same time, in line with the IAIS project timeline agreed at the end of 2019 in Abu Dhabi. Additionally, to the extent the assessment process has highlighted some areas of work, the consideration of those issues and any potential ways to address them rests solely with the U.S. and will take place using the existing NAIC process. As work transitions into implementation, the NAIC will continue its collaboration and coordination with our international counterparts as they adapt the ICS to their respective jurisdictional approaches, and as we implement a U.S. approach to the AM.

The AM was developed as a more appropriate approach for the U.S. insurance market and supervisory regime and ensures policyholder protection and the availability of insurance products on which U.S. consumers rely. Recognizing that any international standards for the supervision of the insurance sector must appropriately reflect the risk characteristics of the underlying business and not undermine legal entity capital requirements, in parallel with the ICS, the NAIC and state insurance regulators, with the support of the Federal Reserve Board and Federal Insurance Office, undertook additional work to develop a complementary approach better suited for the U.S. market – the AM.

The AM leverages legal entity reported available and required capital to produce a measure of group capital adequacy. It is adaptable to the diverse business models, product designs, and risk management approaches employed by insurance groups around the world that create resilience within the insurance sector. The AM relies on a fully transparent methodology and is built on existing legal entity requirements and helps contribute to the overall stability of the insurance sector as a ready and sound capital framework for detecting a need for appropriate supervisory intervention.

The IAIS incorporated the AM as an alternative implementation approach into the broader ICS project, resulting in additional policy work, data reporting and analysis, and a comparability assessment. The AM comparability assessment has been a multi-year robust technical, evidence-based analysis of comparability, using data submitted by volunteer groups, information provided by insurance supervisors, and the agreed comparability criteria. The task of designing the comparability assessment was complex, especially because the ICS and the AM frameworks are methodologically and conceptually quite distinct.

The final decision on comparability comes from the commitment of the IAIS and its members to develop a common language for the supervision of internationally active insurance groups (IAIGs), including group solvency and capital adequacy. The years of data collection and analysis for both the ICS and the AM, as well as the annual collective discussions and regular supervisory colleges, have provided supervisors with a more comprehensive understanding of the risks presented by and to IAIGs, the market differences that exist across the world, and the importance of ensuring policyholder protection and global financial stability through strong supervisory standards.

The NAIC expresses our deepest appreciation for the collaboration and coordination in connection with the AM and the comparability assessment. We recognize the time, effort, and resources that have been dedicated to these projects, and the finalization of the ICS and conclusion of the AM comparability assessment is shared success. This gratitude extends to:

- Insurance supervisors from jurisdictions around the world who have kept an open mind as we worked together to build a comprehensive group-wide supervisory and regulatory framework for IAIGs and develop a risk-based global insurance capital standard, while recognizing the legal, regulatory, and market differences that exist. Together, we have been able to create a common language for supervisory discussions of group solvency, enhanced global understanding of group capital standards, and devised a path forward for a common methodology by which the ICS achieves comparable outcomes across jurisdictions.
- The IAIS Secretariat who has supported the collection and analysis of AM data throughout the monitoring period and staffed the Assessment Team, led by the Secretary General, with assistance from technical experts from within the Secretariat that represent geographical diversity and expertise in both the AM and ICS. The dedication of resources and unwavering commitment of the Secretariat to supporting supervisors has been critical to enhancing the oversight of the global insurance market.
- The IAIS Policy Development Committee (PDC) and the Capital, Solvency and Field Testing Working Group (CSFWG) for their work on capital standards and solvency, including the design of the ICS and the review and support for the technical specifications, analysis and confidential reporting of the ICS and AM data collections, and the development and review of the Economic Impact Assessment, as well as their work on updating supervisory material like Insurance Core Principles 14 (Valuation) and 17 (Capital Adequacy). The Insurance Capital Standard and Comparability Task Force (ICSTF) has had the difficult task of overseeing the work related to the comparability assessment and addressing how to deliver the agreed goal of an ICS that is fit for implementation as a prescribed capital requirement (PCR) by supervisors. Based on the strategic steering of the ICSTF, we appreciate the Executive Committee's (ExCo) commitment to the AM data collection for purposes of the comparability assessment, as well as agreeing and adhering to a timeline and framework for determining whether the AM provides comparable outcomes to the ICS.
- The volunteer groups that have submitted data during the monitoring period and participated in field testing, recognizing the extraordinary effort it has taken over the years to provide data, support the IAIS in its efforts to achieve a risk-based global capital standard, and participate in the public consultations that provide transparency to the IAIS work. Stakeholder engagement, including participation in the numerous workshops hosted by the IAIS, has supported the work of the insurance supervisory community and helps guide the development of appropriate capital standards, while recognizing the role of insurance supervisors in maintaining fair, safe, and stable insurance markets for the benefit and protection of policyholders.

With the successful development of a risk-based global ICS, the IAIS fully satisfies the 2013 charge of the Financial Stability Board (FSB) to develop a comprehensive, group-wide supervisory and regulatory framework for IAIGs, including a quantitative capital standard. The finalization of the ICS and conclusion of the AM comparability assessment will help in ensuring the Common Framework for the Supervision of IAIGs (ComFrame) establishes appropriate and effective supervisory standards and guidance tailored to the international activities and size of IAIGs.

