

<p>ICP24</p>	<p>As the IAIS describes in its document "Systemic Risk from Insurance Product Features" published in June 2016, some products that insurers market have potentially systemic features, while others do not.</p> <p>In addition, the IAIS has launched the Systemic Risk Assessment Task Force, and later in 2017 will release for public consultation new concepts of an Activities-Based Approach (ABA) to systemic risk assessment.</p> <p>In view of the above developments of the ABA and others, the IAIS should examine macroprudential surveillance on a continuous basis (and revise ICP24 or hold an additional public consultation, in line with the progress of the discussion on the ABA), by assessing the impact on the economy in a comprehensive manner. Consideration should also be given to differences between financial trading/assets with the potential to pose systemic risk (such as derivatives and credit default swaps) and insurance products without such features, as well as transaction volumes and characteristics of products with potentially systemic features.</p> <p>Moreover, in collecting information for macroprudential surveillance, any excessive burden on insurers should be avoided, while sufficiently taking into account whether it is appropriate and helps in achieving the purpose. When utilising the insights obtained through macroprudential surveillance, the IAIS should pay particular attention to the possibility that even insurers that pose a low risk to the financial system could be subject to excessive supervision and regulations.</p>
<p>24.2.4</p>	<p>As ICP24 is on macroprudential surveillance, "stress test exercises" in the first sentence are expected to be conducted from a macroprudential perspective. Such stress tests are based not on entity-specific scenarios according to the business characteristics of individual insurers, but on scenarios common to all insurers. Therefore, we understand that "stress test exercises" here refer to "prescribed or standard tests" in ICP16.16.7. The first sentence should be revised to clarify this, for example, by adding "sector-wide" before "stress test exercises".</p>
<p>24.5.5</p>	<p>It is unclear what "confidential disclosure" in the second bullet means. Considering the first bullet ("enhanced reporting"), the second bullet should be revised to "enhanced disclosure".</p>