

<p>ICP 13.1.6</p>	<p>We suggest deleting "and programme" in the last sentence.</p> <p>Based on the recognition that an insurer's reinsurance programme is part of its reinsurance strategy, we understand that it is necessary for insurers to establish a governance system to ensure appropriate management and oversight, where Senior Management determines and puts into action practical matters regarding development of a reinsurance programme, and the Board oversees the implementation of the programme. Therefore, from the perspectives of role-sharing between the Board and Senior Management as well as efficient management, it is inefficient to require the Board to approve reinsurance programmes. Rather, insurers can achieve efficient governance by having Senior Management develop a reinsurance programme that serves the purpose of carrying out the reinsurance strategy, and by appropriately monitoring their Senior Management's performance of the relevant duties.</p>
<p>ICP 13.1.8</p>	<p>"The Board and Senior Management" in the first sentence should be revised to "The Board and/or Senior Management".</p> <p>As we explained in our comment on 13.1.6, governance can be achieved more effectively by having Senior Management determine and implement practical matters regarding reviews of reinsurance programmes, and by having the Board oversee the implementation of the review process as well as whether the reviews themselves are in line with the aim of the reinsurance strategy. Therefore, from the perspectives of role-sharing between the Board and Senior Management as well as efficient management, it is inefficient to require the Board to approve reinsurance programmes.</p>
<p>ICP 13.1.9</p>	<p>Because "feels" in the second sentence could be interpreted arbitrarily, we suggest revising "it feels" to "ample grounds exist".</p>
<p>ICP 13.1.10</p>	<p>We suggest adding "which need to be reviewed on a case-by-case basis" to the first sentence (the current (2011) version contains this phrase), or revising "including the" to "such as".</p> <p>Because different factors should be assessed as regards a ceding insurer's reinsurance programme depending on its business goals and reinsurance strategy, these factors should not be set in a uniform manner.</p>
<p>ICP 13.1.11</p>	<p>We suggest revising "should require" in the first sentence to "may require".</p> <p>As issues to be addressed in insurance groups' reinsurance strategies vary depending on their governance systems, group entities, etc., this guidance should not require full implementation of the listed matters. Rather, these should be introduced only as examples.</p>

<p>ICP 13.1.12</p>	<p>We suggest adding "as necessary" to the end of the sentence. As the use of alternative risk transfer depends on a ceding insurer's business goals and reinsurance strategy, this guidance should clarify that alternative risk transfer can be arranged when necessary.</p>
<p>ICP 13.2.9</p>	<p>We suggest revising "the Board" in the last sentence to "the Board and/or Senior Management". From the perspectives of the recognition that the purchase of facultative coverage is part of a ceding insurer's reinsurance strategy and role-sharing between the Board and Senior Management as well as efficient management, it is inefficient to require the Board's approval in order to set the maximum capacity regarding facultative reinsurance. Therefore, we understand that it is necessary for insurers to establish a governance system to ensure appropriate management and oversight, where Senior Management determines and puts into action practical issues regarding the purchase, and the Board oversees the implementation.</p>