

Questions	Comments
4	<p>We welcome the progress made by this IP in understanding and analyzing the current situation regarding "structural shifts in the life insurance sector". As noted in this section, the data indicates that the current trend of increased alternative investments by life insurers is being driven by a small number of large insurers in a few jurisdictions, and does not represent a significant exposure to the insurance sector as a whole.</p> <p>Therefore, when continuing to collect and analyze information in the future, it would be desirable to take a balanced approach, such as conducting detailed studies separately for the relevant jurisdictions and insurance companies, and using already reported data for the sector as a whole.</p>
7	<p>We agree that the notion of proportionality is crucial. It is noted that many jurisdictions have not established definitions or supervisory requirements for alternative assets. The increase in alternative investments is not a phenomenon unique to insurance companies, but a trend seen throughout the real economy. Therefore, should the importance of alternative investments increase in the insurance sector in the future, it would be desirable to have a definition that is consistent with other sectors, and supervisory requirements that are commensurate with the relative importance of each jurisdiction and insurance company.</p> <p>3.3.3 Mapping of alternative assets to the principles: As noted in Figures 2 and 3, even within the same asset class, each brand and investment case has diverse characteristics. Therefore, when creating an indicative list of alternative assets (or further subdividing or expanding the list), it should be noted that a one-size-fits-all risk assessment based on the asset class alone may result in a large discrepancy from the actual situation.</p>
9	<p>3.5.7 Increased complexities around the management of alternative assets: The size and proportion of investments in alternative assets vary from insurer to insurer, and the importance of risks also varies. Therefore, regarding Board members, we believe that it would be more effective to describe in a manner that allows a wide range of management depending on the importance and risk of the alternative assets in each company.</p>
11	<p>The use of AIR is concentrated in a small number of large insurers in a few jurisdictions, and PE involvement may also be concentrated in certain large PE funds. Therefore, when continuing to collect and analyze information in the future, it would be desirable to take a balanced approach, such as conducting detailed studies separately for the relevant jurisdictions and insurance companies, and using already reported data for the sector as a whole.</p>
22	<p>As the results of the review of the relevant ICPs indicate, overall, the ICPs are designed to broadly encompass the various risks that could potentially arise from alternative assets and AIR. Considering this, a balanced approach is desirable when actually examining enhancements to the "potential areas of enhancement" described in this section, to avoid providing more detailed guidance on alternative assets and AIR compared to other areas.</p> <p>Regulation and supervision should be risk-based, according to the characteristics of the business, and should support the ingenuity of the industry.</p>

	Regarding "Sidecars" of "Potential areas of enhancement" in ICP13, we would like to confirm the intent of the reference to property and casualty.
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