

d) IAIS

1) Comments on IAIS survey for comments: *How to Improve the Working Relationship of the IAIS and its Observers*

During the 15th Annual Conference held in Budapest in October 2008, the International Association of Insurance Supervisors (IAIS) agreed to undertake an Observer survey to identify areas to enhance the existing mechanisms for Observer participation. The LIAJ jointly developed with eight insurance trade associations in the United States and Europe, the Joint Trade Letter, which was submitted on 19 January 2009. The outline of the trade associations' comments is as follows:

- Observer should be allowed to dial into the open session with the Technical Committee.
- Minutes should be issued, as appropriate, following the Dialogue sessions so that Observers have a common record of next steps agreed upon.
- In order to allow Observers in non-English speaking areas to translate the proposed documents and still have adequate time for review, we would like to request that the IAIS consider establishing a standard comment period longer than 60 days.

2) Comments on IAIS/OECD Draft paper: *Issues Paper on Corporate Governance*

The International Association of Insurance Supervisors (IAIS) released an *Issues Paper on Corporate Governance* on 17 March 2009 and invited comments from its Members and Observers, OECD Member countries and other interested stakeholders. The LIAJ submitted its comments on the paper on 30 April 2009, stating that clarification should be made on the protection of policyholders as one of the objectives of corporate governance and the integrity of board members, and that independence should be promoted taking into account a balance with qualification of directors, on the ground that the issues paper aims to provide a basis for future work by the IAIS including the development of standards and guidance papers.

3) Comments on IAIS Draft paper: *Guidance Paper on the Structure of Capital Resources for Solvency Purposes*

The IAIS released a draft *Guidance Paper on the Structure of Capital Resources for Solvency Purposes* on 9 March 2009 and invited comments from its Members and Observers. The LIAJ submitted its comments on the paper on 28 May 2009, as the LIAJ recognized that the paper contained key issues in considering future solvency assessment and therefore might have a great impact on the revision of solvency regime in Japan. In its comment, the LIAJ expressed its support for the sentence concerning the definition of the suitability of capital resources for the purpose of insurer solvency assessment, and purported the need for due consideration of such definition. It also commented that there might be some items which could be treated as capital resources for solvency purpose in technical provisions for the purpose of financial reporting, and that the lock-in clause should be added as an example for the characteristics of permanency that is usually considered in assessing the ability of elements of capital to absorb losses.

4) Comments on IAIS Draft paper – *Issues Paper on the Roles of and Relationship between the Actuary and the External Auditor in the Preparation and Audit of Financial Reports*.

The IAIS released a Draft *Issues Paper on the Roles of and Relationship between the Actuary and the External Auditor in the Preparation and Audit of Financial Reports* on 13 March 2009 and invited comments from its Members and Observers. On 15 May 2009 the LIAJ submitted its comments on the paper suggesting that the IAIS explain its views more clearly in some parts of the draft.