

The LIAJ Comments on the Draft Application Paper on Operational Resilience Objectives [and Toolkit]

Question	Comment
Q1. General comments on the Application Paper	<p>The Life Insurance Association of Japan (the “LIAJ”) appreciates the opportunity to submit public comments to the International Association of Insurance Supervisors (the “IAIS”) on draft Application Paper (the “AP”) on Operational Resilience Objectives [and toolkit].</p> <p>The IAIS explains in paragraph 8 that the consultation of the draft Objectives and Toolkit will be conducted separately and will finally be integrated into a single Application paper. As the current consultation only applies to the draft Operational Resilience Objectives, the appropriateness of the Objectives and Toolkit cannot be validated based on a comprehensive assessment. Therefore, the LIAJ may provide additional comments on the Objectives to the upcoming consultation of the draft Toolkit from a combined perspective.</p>
Q11. Comments on Paragraph 8	<p>The IAIS explains in paragraph 8 that the consultation of the draft Objectives and Toolkit will be conducted separately and will finally be integrated into a single Application paper. As the current consultation only applies to the draft Operational Resilience Objectives, the appropriateness of the Objectives and Toolkit cannot be validated based on a comprehensive assessment. Therefore, the LIAJ may provide additional comments on the Objectives to the upcoming consultation of the draft Toolkit from a combined perspective.</p>
Q26. Comments on Paragraph 18	<p>As to the second bullet point of paragraph 18 which recommends that insurers’ approach to operational resilience “identifies and manages all risks that have the potential to severely disrupt its operations”, the appropriateness for requiring insurers to identify and manage all the risks would depend on the potential to severely disrupt operations, and the degree of severity. The LIAJ believes a more adequate review to the appropriateness of this Objective is possible in conjunction with the Toolkit. The current consultation only includes the draft Objectives so it is difficult to conduct a comprehensive assessment without looking at the draft Toolkit. Therefore, the LIAJ may provide additional comments on the Objectives to the upcoming consultation of the draft Toolkit from a combined perspective.</p>