

COMMENTS
OF
PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA
ON
FSB PRINCIPLES FOR AN EFFECTIVE RISK APPETITE FRAMEWORK

The Property Casualty Insurers Association of America is a trade association representing nearly 1000 insurers and reinsurers that have operations in the U.S. and around the world. We appreciate the opportunity to comment on this document. In doing so, we note that the International Association of Insurance Supervisors and individual supervisors are doing extensive work on all elements of risk management while being flexible and reflective of the realities and diversity of the insurance sector.

At the outset, we note that we endorse the comments filed by the Global Federation of Insurance Associations (GFIA) and incorporate their comments by reference as though set forth herein. In addition, we wish to emphasize several key points.

First, according to the beginning of the introduction section, the paper is based on the FSB's role in relation to SIFs. Yet the paper goes on to state that the principles are "relevant for the supervision of financial institutions generally, including insurers..." In so stating, the scope of the paper may exceed the mandate of the FSB.

Second, the references to reviewing corporate documents, especially minutes, suggest a crossing of the line between the supervisor and the supervised entity. We urge the FSB to avoid doing so, as both the government and private parties would not benefit from that direction.

Third, there should be more flexibility built into the paper so as to take account of the diversity of insurance business models. Especially, the assignment of duties to named officers seems too prescriptive. Such prescriptiveness should be avoided in favor of more outcomes based results.

In conclusion, we appreciate the opportunity to comment and again wish to reiterate that we support the GFIA comments.

Respectfully submitted,

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