

Public Consultation on

ICP 13: Reinsurance and Other Forms of Risk Transfer

Thank you for your interest in the public consultation on the revision of [ICP 13 – Reinsurance and Other Forms of Risk Transfer](#). Deadline for comments is 31 July 2017 by 24.00 Basel time.

Please do not submit this document to the IAIS. This form is for compilation purposes only. All responses to the Consultation Document must be made via the Consultation Tool to enable those responses to be considered.

Please note that these comments were submitted using the IAIS online consultation tool. The CIA did not respond to all questions in the consultations. The CIA's comments to questions to which it responded appear in blue.

Q1 General Comment on ICP 13

The Canadian Institute of Actuaries (CIA) is the national, bilingual organization and voice of the actuarial profession in Canada. Its 5,000+ members are dedicated to providing actuarial services and advice of the highest quality. The Institute puts the public interest ahead of the needs of the profession and those of its members.

Overall, we support the updated ICP 13. We do not indicate our support in every case throughout this feedback form, but where there is no comment, you should infer that we agree with the contents. You will find we have only a few minor edits to suggest.

The Canadian Institute of Actuaries hopes that its comments provided herein will be of value to you.

Q17 Comment on Guidance ICP 13.1.9

Please replace paragraph with the following:

The supervisor should understand the ceding insurer's business objectives and strategies, how its reinsurance strategy fits into these, and the extent to which objectives and strategies are adequately reflected in the reinsurance programme. The supervisor's knowledge of the reinsurance programme should be sufficient so that it can challenge the strategy and/or the programme where it feels they are not appropriate or pose undue risk.

Q29 Comment on Guidance ICP 13.2.8

Section heading preceding paragraph 13.2.8, "Matching of underlying criteria", is embedded in the preceding paragraph; please rewrite to highlight section heading.

Q56 Comment on Guidance ICP 13.5.3

[Note that in the online form, comment on Guidance ICP 13.5.3 is listed as Q58.]

Please include the sentence in paragraph 13.5.6 at the beginning of paragraph 13.5.3. Revised paragraph 13.5.3 follows:

The supervisor should require ceding insurers to take appropriate measures to manage their liquidity risk including funding requirements in reasonably adverse circumstances. As with all risks, the insurer should develop its own response to the level of risk it faces and the supervisor should assess these responses. There are a number of ways in which liquidity risk may be mitigated. For example, some insurers choose to arrange a line of credit from a bank in order to deal with short-term liquidity issues.

Q59 Comment on Guidance ICP 13.5.6

[Note that in the online form, comment on Guidance ICP 13.5.3 is listed as Q61.]

Please delete paragraph 13.5.6 and include it at the beginning of paragraph 13.5.3.

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