



AMERICAN ACADEMY *of* ACTUARIES

August 10, 2010

Axel Oster
Chair, Insurance Groups and Cross-sectoral Issues Subcommittee
International Association of Insurance Supervisors
Via email to: Axel.Oster@bafin.de
CC: Secretariat Jeffery.Yong@bis.org

Re: AAA comments on the IAIS *Standard on Group-wide Regulatory Requirements and Guidance on Group-wide Supervision Framework (GSF)*

The American Academy of Actuaries'¹ Risk Management and Solvency Committee (RMSC) has completed a review of the June 24 draft IAIS Standard and prepared the attached comments in the format requested by the IAIS.

On behalf of the American Academy of Actuaries' Risk Management and Solvency Committee, I wish to thank you for the opportunity to comment. Should you have any questions or need further information on our comments, please feel free to contact Senior Risk Management and Financial Reporting Policy Analyst, Tina Getachew, at getachew@actuary.org or at (202) 223-8196.

Sincerely,

R. Thomas Herget, FSA, MAAA, CERA
Chair, Risk Management & Solvency Committee
American Academy of Actuaries

¹ The American Academy of Actuaries ("Academy") is a 17,000-member professional association whose mission is to serve the public on behalf of the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States

**Member and Observer Comments on IAIS Draft paper:
Standard on Group-wide Regulatory Requirements and Guidance on Group-wide Supervision Framework (GSF)
Draft, 24 June 2010**

Comments due by 23 August 2010

| Name | Section or paragraph reference | Comment | Resolution (for use of the Secretariat only) |
|---|--------------------------------|--|---|
| We have one major issue: | | | |
| American Academy of Actuaries (Academy) | 23.10 | There is no substance around the issue of how the group-wide supervisor will be able to obtain the necessary legal authority to perform the tasks required, either on his/her own or as part of a supervisory college. This will likely be the biggest practical issue to any group-wide supervision. It will be important how the leader is selected and that others are mandated to follow. This document should address this issue. | |
| These are smaller items: | | | |
| Academy | Throughout the paper | There are many terms such as “could,” “may” and “should” throughout the document. We feel that GSF will have a better chance at success if there were more commanding terms than option-suggesting terms. As written, the document does not seem to be a standard but more in the nature of recommendations for good practice. | |
| Academy | 23.11.2 | This paragraph states that Figure 4 illustrates clear linkages between certain items. We do not think Figure 4 shows any linkages clearly. | |