



January 4, 2016

Submitted to FSB via email

To: Financial Stability Board (“FSB”)

Re: FSB Consultative Document – Developing Effective Resolution Strategies and Plans for Systemically Important Insurers (“SIIs”)

The Canadian Life and Health Insurance Association Inc. (“CLHIA”) is a voluntary trade association whose member companies account for 99 percent of Canada’s life and health insurance business. Our industry provides a wide range of financial security products such as life insurance, annuities and supplementary health insurance to about 26 million Canadians.

The CLHIA actively follows and responds to developments from the Financial Stability Board and the International Association of Insurance Supervisors (“IAIS”). We appreciate the opportunities to make submissions to consultations from both bodies. For example, the CLHIA made a submission to the FSB in December 2014 on a related FSB SIIs consultation, “Guidance on Identification of Critical Functions and Critical Shared Services”. The CLHIA is also an on-going active participant in the Global Federation of Insurance Associations (“GFIA”) including being a signatory to GFIA’s submission on this Consultative Document.

While the CLHIA endorses the GFIA submission on this Draft Guidance, we do wish to embellish on one aspect, namely the scope of application of the Guidance. Our particular concern is the ambiguity of application stemming from the provision (italicized for emphasis): “While this guidance focuses primarily on resolution strategies and plans for G-SIIs, *many aspects may* also be relevant for insurers *identified* by any national authority as systemically important (if any)”.

We suggest it is entirely appropriate, from the context of proportionality, that the application beyond G-SIIs, should be limited to those insurers officially and publically designated as a “DSII” by a national regulator. As such we suggest replacement of “*identified*” with “*designated*” in the aforementioned provision. Also, we suggest the Guidance emphasize the principle of proportionality in any application to instances, if any, of host but not home designations of DSIIIs within the corporate group.

Thank you for your consideration of this concern.

Yours sincerely,


Steven W. Easson, FCIA, FSA, CFA
Vice President and Chief Actuary

Canadian Life and Health Insurance Association
79 Wellington St. West, Suite 2300
P.O. Box 99, TD South Tower
Toronto, Ontario M5K 1G8
416-777-2221 www.clhia.ca

Association canadienne des compagnies d'assurances de personnes
79, rue Wellington Ouest, bureau 2300
CP 99, TD South Tower
Toronto (Ontario) M5K 1G8
416-777-2221 www.accap.ca