Insurance Ireland Response to CBI Consultation Paper 131
Pre-emptive recovery planning for (re)insurers

30 October 2020

INTRODUCTION

Ireland is a thriving global hub for insurance, reinsurance & captives and Insurtech. Ireland's insurance market is the fifth largest in the EU and our Reinsurance market is the second largest. Our members represent around 95% of the companies operating in the Irish market, making Insurance Ireland a strong leadership voice for the sector.

Insurance Ireland members are progressive, innovative and inclusive, providing competitive and sustainable products and services to customers and businesses across the Life and Pensions, General, Health, Reinsurance and Captive sectors in Ireland and across the globe.

In Ireland, our members pay more than €13bn in claims annually and safeguard the financial future of customers through €112.3bn of life and pensions savings. Our members contribute €1.6bn annually to the Irish Exchequer and the sector employs 28,000 people in high skilled careers.

The role of Insurance Ireland is to advocate on behalf of our members with policymakers and regulators in Ireland, Europe and Internationally; to promote the value that our members create for individuals, the economy and society; and to help customers understand insurance products and services so that they can make informed choices.

Insurance Ireland advocates for 135 member firms serving 25m customers in Ireland and globally across 110 countries (incl. 24 EU Member States), delivering peace of mind to individuals, households and businesses, and providing a firm foundation to the economic life of the country.

OVERALL OBSERVATIONS

Insurance Ireland welcomes the opportunity to share feedback on the CBI proposals contained in CP131.

While Insurance Ireland agrees that recovery planning is an important measure for (re)insurance firms, Solvency II already requires firms to implement recovery plans and to assess their robustness regularly through their Own Risk and Solvency Assessment (ORSA). Solvency II and the underlying provisions have proved robust during the current Covid-19 pandemic and the associated financial market disruption, for example. The crisis was a good illustration of a real-life severe and unexpected stress test on the industry. The industry proved itself to be well positioned in reacting to the stressor and this was acknowledged both by CBI and by EIOPA from a European perspective.

Insurance Ireland notes that the European Commission explicitly invited the European Insurance and Occupational Pensions Authority (EIOPA) to provide its technical advice on the need for additional Recovery and Resolution (R&R) measures in its Call for Advice in preparation of the Review of Solvency II in February 2019. In fulfilling its mandate, EIOPA consulted stakeholders. The report on the outcome of this consultation and EIOPA's technical advice to the European Commission are expected by year-end 2020. Notwithstanding the technical advice from EIOPA, Insurance Ireland notes that the right of initiative to review Solvency II lies with the European Commission. Therefore, Insurance Ireland is concerned that by moving ahead with rigid and prescriptive domestic requirements for pre-emptive recovery planning for (re)insurance firms, it does not account for the work being carried out by EIOPA and the European Commission to develop a consistent R&R regime as part of the Solvency II 2020 Review, which domestic (re)insurance firms will be directly subject to.

This raises a material risk that the CBI activity in this area will result in a differing national approach, leading to fragmentation of the European regulatory framework and significant gold-plating. In addition, overly onerous requirements at national level will lead to a considerable competitive disadvantage for insurers domiciled in Ireland. Should these proposals proceed, firms will make investments in adhering to the CBI requirements and also have to make further investments within the next two years following the finalisation of the Solvency II review. It must be expected that a reviewed Solvency II framework and its implementation will lead to additional efforts to adapt to the then new requirements. It is illogical that the CBI pre-empts an ongoing policy procedure carried out by primary legislators and does not consider the mandate of the European Commission, the European Parliament, the Council and the Irish government.

On this basis Insurance Ireland does not agree with the CBI's position that the requirements as drafted in CP131 are currently aligned with the expected output from the legislative process as this simply cannot be anticipated at this stage. We further doubt that the proposals consulted by EIOPA can be seen as the basis and rationale for the current proposals. The EU legislative process is still ongoing, outputs are still under discussion and likely to change with the involvement of co-legislators.

In addition, Insurance Ireland is concerned about the cherry-picking approach by the CBI. As recovery planning is one part of a wider and complex R&R framework, it is essential that the different tools, mechanisms and aspects of R&R are coordinated and function well together in a sound and sensible system. Therefore, it is very difficult to ringfence the recovery issue from others, for example resolution mechanisms for insurers. The new R&R framework under Solvency II will have a significant and wide-ranging impact on risk management. Any singular initiative solely focused on pre-emptive recovery planning presents a severe risk of overlap and is likely to lead to an additional regulatory compliance burden and inconsistencies with the wider framework under the Solvency II review.

Proceeding with these proposals is therefore likely to lead to the implementation of two differing sets of recovery measures and a piecemeal approach for (re)insurers once the Solvency II review completes and the regulations are issued. In reality, this also potentially means that firms which have a branch/are domiciled in Ireland and subject to CBI authorisation would have a more onerous regime to follow than those who would be passporting in from other EU Member States. While this will cause a competitive issue where Irish based (re)insurers incur higher operating and regulatory costs than their competitors, we also note that Regulation 186 of SI 485 prohibits the CBI from imposing requirements or conditions that result in third country reinsurance undertakings being treated more favourably than reinsurance undertakings with head offices in the state:

"The Bank shall not impose requirements or conditions that would result in a third-country reinsurance undertaking which commences or carries on business in the State being treated more favourably than a reinsurance undertaking with its head office in the State."

The CBI proposals go significantly beyond the proposals currently being discussed at EU level and the existing guidance provided by the International Association of Insurance Supervisors (IAIS). We have set out, in detail, where the CBI proposals go further than the IAIS requirements (including regarding proportionate application and group interaction) in the Appendix. Already the scope of the CBI proposals goes far beyond the ideas at supranational level. While the focus of international supervisors is clearly focussed on large groups and a systemic risk for financial stability, the CBI proposals explicitly cover all insurance undertakings, from entities of larger groups to smaller captive insurance undertakings. In this regard, the CBI proposals do not only go significantly beyond European and international ideas, but also beyond systems existing in other EU Member States such as France and the Netherlands. It is also important to note that both EU Member States foresee a full R&R

framework. Introducing the requirements as they currently stand is tantamount to the regulator imposing requirements or conditions that would treat third country undertakings more favourably than Irish authorised firms.

Owing to its role as a major international and European hub for insurance, Ireland should always strive for consistency with EU markets and ensure a level-playing field with firms that remain active in Ireland as Irish entities rather than on passporting in basis.

It is important to reiterate that insurers are already subject to the existing Solvency II measures. Solvency II requires (re)insurers to assess potential recovery measures as part of their ORSA and supervisors already have a set of tools at hand when an insurer breaches or is likely to breach its Solvency Capital Requirement (SCR). The credibility of the SCR is a fundamental principle of Solvency II. It is important that Solvency II provides for an escalation cascade where an insurer is likely to not be able to fulfil its future obligations. Breaching the SCR triggers extensive supervisory intervention measures. However, the limit for the resolution/failure of an insurer under Solvency II is ultimately defined by the Minimum Capital Requirement (MCR).

Pre-emptive recovery planning, meaning a potential intervention where an (re)insurer is neither in breach nor likely to breach its SCR, undermines the credibility of Solvency II. The decision that, if at all, the fundamental principles of the Solvency II regime are amended in such a substantial manner should be taken by co-legislators and through an ordinary legislative process.

Finally, it appears that the CBI proposals are based on the Banking Requirements under the Single Resolution Mechanism (SRM) and the Capital Requirements Directive IV (CRDIV). The differences in the regulatory regimes disqualifies the SRM as a blueprint for a sound R&R regime for insurers.

Ultimately, we do not believe that the cost involved with implementing these proposed requirements and the further additional cost of doing so again when implementing the EU legislative review of Solvency II, including a consistent R&R framework, is likely to provide any significantly increased consumer or market protection than the requirements under the revised Solvency II alone. We have set out some detail on the current and expected costs based on the current requirements (where applicable) below.

Detailed comments

Scope
Looking at the Recovery Regime in other EU Member States, it is clear that the proposed requirements are more onerous than those which already exist in other EU Member States as well as those set out by the IAIS. The IAIS focuses its R&R measures only on International Active Insurance Groups (IAIG), currently a list of nine European insurance groups (none of which is headquartered in Ireland). Looking at different Member States, France (as the Member State with most IAIGs) for example, requires pre-emptive recovery plans only for insurers with over €50bn in assets.

The focus on very large insurance groups only or those presenting the highest level of systemic risk is a cornerstone of the international framework. Recovery planning is strongly focused on preventing potential systemic risks for financial stability. As the insurance industry does not present a systemic risk in itself, the focus is strongly on a potential interconnectedness of the financial system. Resolution mechanisms, in conjunction with guarantee schemes, are usually the measure of choice for protecting customer interests. This is, for example, reflected in the Dutch R&R regime which foresees a resolution of companies only in cases of public interest and the precondition that no policyholder is worse off.

Pre-emptive recovery plans cannot always be expected to increase consumer and market protection correspondingly, which underscores the importance of proportionate application.

As noted already, the scope of the measures proposed by the CBI goes far beyond the IAIS or the French measures and also beyond the EIOPA proposals which were consulted upon last year, making fragmentation and divergence from international/European measures likely and unnecessarily putting a high regulatory burden on (re)insurers. Furthermore, it has to be noted that existing R&R regimes focus on insurance groups, not on single entities. Due to group structures and governance as required by Solvency II, the added value of an entity-based approach is questionable.

Proportionality
Insurance Ireland welcomes the CBI's comments on proportionate application of the requirements across the sector. It is imperative that insurers have the flexibility to implement regulation in a manner that is appropriate to the nature, scale and complexity of their business model and we support the EIOPA position on proportionality. Article 5 of the Solvency II Directive requires the regime to be applied in a manner which is proportionate to the nature, scale and complexity of risks inherent in an insurers' business. The interpretation of proportionality referred to in CP131 is much wider than the Solvency II definition which is reflected in the EIOPA ideas, including more detailed definitions of systemic importance, interconnectedness with group or other third parties and group support. This means that there are inherent restrictions in how proportionate application can work in practice.

From a practical approach, our members have reported that the prescriptive nature of the requirements do not lend themselves to proportionate application of the regulations. The requirements for minimum content and structure of the pre-emptive recovery plans mean that regardless of the risk posed to financial stability by the organisation or the nature, scale or complexity of its risks, the plans must follow the same structure and all are subject to the same oversight and governance. This does not allow any potential for proportionality.

Again, we understand that EIOPA is providing its advice to the European Commission on the proportional application of Solvency II under the 2020 Review. This has not yet been finalised. Therefore, we again reiterate that to go ahead with these proposals without first knowing the final regulatory requirements from the Solvency II Review would be pre-emptive, illogical and contradictory to the aims of regulatory and supervisory convergence under the EU single market for insurance and Solvency II as the common prudential regulatory framework.

We understand that the CBI intention is that the requirements would apply in their entirety to smaller and low risk firms, as the CBI view is that these firms are equally at risk of failure, despite the fact that these companies are even less likely to pose a material risk to financial stability and that the requirements are not tailored to such firms. We understand that there is scope for proportionate application of the number of recovery indicators for example, but the reality is that most of the other requirements would have to be fully implemented. This results in an unfair regulatory burden and an increased regulatory cost on these firms. We believe that if the CBI proposals were to proceed, they must be adjusted in scope to reflect the CBI stated regulatory purposes of policyholder protection and financial stability and with regards to its proportionate application, in order to adjust to the nature, scale and complexity of risks.

Captives
We note the specific reference for Captive insurance firms to apply the rules in a more proportionate manner than insurers and reinsurers. However as noted above, there is no pragmatic way to apply the rules in a proportionate manner due to their prescriptive nature. Captives operate as an effective risk management tool to manage the total cost of risk by providing insurance or reinsurance cover for risks of the entity to which it belongs.

While the CBI is clear that the purpose of these requirements is to strengthen policyholder protection, it should be noted that Captives do not service policyholders directly. Captive insurance undertakings allow their parent to increase the overall efficiency of its risk management and financing process and entities of larger groups. It is therefore questionable whether the actual purpose of the requirements (financial stability or policyholder protection) apply to this sector. There is already a divergent approach being adopted with regards to captives and the application of proportionality resulting in a differing national approach under Solvency II for example. Adoption of the proposed requirements as drafted in CP131 will widen this gap further. Again, this has a potentially negative impact on the attractiveness of Ireland as a domicile for international Captive firms. These firms should be exempt from the proposed requirements.

Firms in run-off
Firms who are already in managed run off have no plans or need for recovery and these firms have set reporting to the CBI for oversight. Therefore, it is contradictory to include these firms in the recovery requirements as this is not an option or plan. We note the potential for exemption under SII Regulation articles 13A and 13B, however these appear to focus purely on Brexit related legislation which has not yet commenced. Firms in managed run off should be exempt from the proposed requirements.

Group support
The proposed requirements relating to group support are vague. It is not clear what risk the CBI is attempting to mitigate with these proposals. We understand that this may relate to recovery plans where financial support for group/parent entities form part of the plan although not explicitly or fully set out in the defined recovery plan, or where the plans for reliance on group support in a situation of stress does not account for situations which are worldwide and may well negatively impact on the group/parent itself.

There is also a risk that parent entities will be required to legally and contractually agree to a level of group support in the event of certain scenarios in order to meet the proposed requirements. Insurance Ireland strongly disagrees with this approach as it would again impose additional levels of regulatory and legal requirements on international firms who have an Irish entity. This is not a requirement under any other Member States regime and is not foreseen in IAIS or EIOPA ideas. Again, this would cause material issues for Ireland's role as a major international and European hub for insurance.

The proposed requirements do not allow for the fact that the local entity of a Group does not operate in isolation of that Group. Implementing separate requirements for a local entity which differs to the Group approach can cause an unfair regulatory burden on the group and local entity. This is an issue that would be avoided by implementing the final Solvency II requirements. International companies operating in the EU are either operating through an organisational structure regulated in the EU or are directly regulated under a regime which is considered equivalent to Solvency II, therefore the regulatory burden would be mitigated while still meeting the objective of increasing the level of consumer and market protection in the event of a stress situation.

Overlap with the ORSA and other Solvency II measures
The consultation paper recognises that there is potential overlap with the existing ORSA process in terms of recovery planning. This results in an unnecessary regulatory burden on (re)insurance firms as it duplicates the resources involved in the oversight and monitoring of solvency risk. We recognise that the CBI expects that the proposed recovery requirements go further than the requirements under the ORSA by considering a wider range of causes that might ultimately lead to failure if not appropriately addressed. The proposals are unclear as to whether the production and subsequent annual reviews of the Recovery plan are to be aligned with the annual ORSA timeline.

Furthermore, Solvency II requires (re)insurers in breach with their SCR or likely to breach the SCR to present recovery plans to its competent authority. By these provisions, Solvency II already provides for the framework that insurers are:
a) aware of potential stressed situations based on their own risks and potential recovery measures, and
b) competent authorities can require insurers to present concrete plans for their recovery, well before the insurer is likely to breach its MCR.

Solvency II is, already, a very prudent and conservative regime. This was most recently confirmed by the robustness of the system and the insurance industry during the Covid-19 crisis. The ORSA is the at the heart of the Solvency II framework. The CBI's approach indicates that the CBI does not believe that the ORSA process is sufficient to appropriately identify, monitor and manage risks. It might also indicate that the CBI's activities do not aim at a sound and sensible supervisory framework which is most consistent with the EU framework, but the most prudent regardless of the EU position. If such an approach would be applied, it would significantly harm the competitive position of Irish insurers in Europe and globally. It might also open room for regulatory arbitration for firms seeking to use less burdensome, but consistent EU regimes, to operate in the Irish market.

Costs of the proposed requirements
We note that the CBI expects that these proposals evidence good governance and oversight of risk of failure and any associated costs would provide value to the consumers and the market overall as a result. Having investigated this with our members (which include support services such as consultancies and legal firms), for those firms that are currently requested to develop a recovery plan by the CBI we have estimated that the initial costs are in the region of the following amounts, which could include both internal company resource and external advice:

- €30-50k for a mid-sized company rated as Low/Medium Low under the PRISM framework
- €50-60k for a mid to large company rated Medium High under the PRISM framework
- Up to €100k for some of the larger firms rated as High under the PRISM framework

However as noted earlier in our response, the proposed requirements are significantly more onerous and our larger members have reported projected costs for the initial and ongoing changes up to €400-600k given the probable need between external consultant costs and management time and resource.

Conclusion
Insurance Ireland strongly supports the development of a consistent, sound and sensible Recovery and Resolution Framework at EU level. We believe that only a consistent approach can mitigate potential financial stability risk and protect policyholders. Therefore, we believe that Irish activity should focus on the development and a more consistent implementation of future rules. Only a common European framework can protect Irish consumers, notwithstanding the jurisdiction and business model of the insurer, which is providing services. Furthermore, only a consistent regime can ensure that the European and global competitiveness of the sector is ensured. This is crucial for a swift and sustainable economic and social recovery of Ireland. These proposed requirements may ultimately cause harm to the Irish insurance landscape, potentially resulting in reductions in FDI, employment and economic benefit in the country.

Insurance Ireland also believes that proceeding with current proposals prejudices the Solvency II review. In particular we are concerned that the proposals may be at odds with efforts to improve regulatory and supervisory convergence under Solvency II and a consistent regulatory framework of the EU single market for insurers. The expected changes to the recovery regime may result in material regulatory burden and cost for little associated consumer and market protection.

Appendix – Analysis of Draft CBI Regulations vs International Comparisons

In its Insurance Core Principles (ICP) and Common Framework (Comframe) the IAIS has developed the standards, guidance and a supporting application paper on recovery planning for insurers. Comframe applies to Internationally Active Insurance Groups while the ICPs apply to all insurers. While the IAIS note that the ICPs set minimum requirements and supervisors have the flexibility to tailor their implementation of supervisory requirements and their application of insurance supervision, they also stress that the ICPs are expected to be implemented and applied in a proportionate manner.

In paragraph 2.6 of its consultation the CBI discusses regulatory developments in recovery and resolution and refers to the IAIS application paper on recovery planning which sets the standard for international insurance regulation in this area. Our analysis below demonstrates that the CBI requirements are not consistent with this standard and appear to have been driven more by banking than insurance regulation.

Where recovery planning frameworks have been introduced in certain EU jurisdictions, this is done in a manner which respects the international insurance framework on this. It is essential that the CBI implements recovery and resolution regulations in a proportionate manner consistent with international insurance standards in order to reflect Ireland's status as a location for international insurance business. Insurance Ireland believes that the draft CBI regulations on recovery planning do not achieve this.

Regulation vs Guidance
The IAIS provide very few standards on recovery planning with most of the ICPs and Comframe comprising guidance, reflecting their implementation of a proportionate and bespoke application of recovery planning frameworks. The CBI framework on the other hand is disproportionately prescriptive regarding all aspects of recovery planning, imposing specific requirements across the entire recovery planning framework for all insurers on e.g. the type of actions and scenarios that must be included and the level of analysis underlying those elements of the recovery plan.

International Co-operation
The IAIS refers extensively to co-ordination and co-operation among supervisors in its ICPs, Comframe and its application paper on recovery planning, in recognition of the most practical and effective way of supervising international insurance entities and groups. In its proposals, the CBI does not reflect the imperative for international supervisory co-operation and co-ordination regarding international insurance businesses.

Frequency of Updates
Under section 4, the CBI requires an annual update. IAIS CF16.15.a is more proportionate stating "The group-wide supervisor requires the Head of the IAIG to: • review and update the recovery plan on a regular basis, or when there are material changes."

Insurance Groups
The CBI draft regulations apply to all insurers, irrespective of whether they form part of a wider group. This blanket application is contrary to Para 30 of the IAIS application paper which provides for the use of supervisory judgement in deciding whether this is necessary *"In the case of a cross-border insurance group, a host supervisor may deem it appropriate to require a separate recovery plan for the insurance legal entity in its jurisdiction, particularly in cases where no group recovery plan exists, or the entity in its jurisdiction is not sufficiently covered by a group recovery plan, or is deemed systemically important in that jurisdiction*".

So where a group recovery plan already exists, where the entity in its jurisdiction is covered in that plan and where the local entity is not deemed systemically important, a local plan should be not be required. IAIS standards provide for integrated group recovery planning because this is what will happen in practice for the majority of groups; the solo undertaking cannot be looked at in isolation of the group in which it exists.

CBI draft regulation 3(2) states that "*Where an insurer provides for a recovery option that involves provision of financial support from another undertaking within a group of which the insurer is part, the insurer shall include in the recovery plan confirmation that it has obtained that other undertaking's written confirmation of the undertaking's willingness and ability to provide such financial support in the scenario contemplated*". Were such a commitment to create a financial obligation on the undertaking providing the confirmation (which is presumably the intention, otherwise the purpose is undermined), the local entity specific recovery planning scenarios would need to be integrated into the risk management framework of the guarantor and may trigger supervisory engagement for the guarantor.

In CBI draft regulation "Part G – Recovery Options" on recovery actions that shall be included, the following is required as part of the assessment of each recovery action in (b)(ii) "*the impact on the insurer's* ***shareholders****, the insurer's policyholders, the insurer's counterparties and, where applicable, the* ***group*** *of which the insurer is part*".

Section (c)(ii) here on feasibility assessment requires "*a description and analysis of any material impediment, or potential material impediment, to the effective and timely implementation of each action including, where applicable,* ***potential impediments which would result from the corporate structure of the group*** *of which the insurer is part or* ***other arrangements within the group****, or* ***material impediments to the prompt transfer of own funds or the repayment of liabilities or assets within the group***".

Part H – Scenario Analysis states "*where a recovery option in the range of recovery options in the recovery plan involves reliance by the insurer on the provision of capital or liquidity from an undertaking within the group of which the insurer is part,* ***a scenario that limits the provision of such capital or liquidity***" requiring an assessment of scenarios where the group would not be in a position to provide support.

These requirements effectively compel a group recovery planning process consistent with the local approach as mandated by the CBI. IAIS application paper paragraph 94 states "*the group should ensure the consistency of recovery options, trigger frameworks and governance arrangements between group and legal entity level plans, and be transparent about any interdependencies between group and subsidiary-level.*" In making the group plan a consequence of local requirements, the draft CBI regulations trigger a group recovery plan which is driven by the local plan. Putting the local 'cart' before the group 'horse' in this way undermines integrated recovery planning as envisaged by the IAIS standards and is not what would happen in a real-life recovery scenario.

Furthermore if supervisors in other jurisdictions were to adopt the same approach as the CBI of locally mandated recovery planning frameworks which differ by jurisdiction (in terms of triggers, scenarios and recovery options), it would not be possible to deliver an integrated group recovery plan which provides for the recovery of the insurance group and thereby offers the most effective mechanism for the stable recovery of the local entity. Mandating local plans with local specifics for which the group impact needs to be assessed would create an unmanageable and unwieldy group plan thereby undermining the robustness of the overall group framework. As recognised by the IAIS, the group 'horse' needs to come before the local 'cart'.

The IAIS state that where there are multiple plans across an insurance group, arrangements need to be in place to ensure an integrated supervisory approach. "*If multiple recovery plans are created within a group (e.g. recovery plans on a group level and on a legal-entity level in certain jurisdictions), supervisory cooperation and coordination arrangements should address alignment between the plans, and contribute to identifying and addressing any elements that may affect the effective and efficient interaction between these plans*". In line with this, the CBI could not mandate a local recovery plan for an insurance group, or the elements that are required within that plan, without appropriate co-operation and co-ordination with the group supervisor in the first place. Cross border supervisory engagement and frameworks need be addressed in the CBI requirements in line with international standards. Cross-border recognition and integration of recovery planning have been reflected in other EU recovery planning frameworks. For example in France the Sapin 2 law provides a framework for the exemption of the French solo undertaking from providing a recovery plan where the non-French parent has a plan in place.

Recovery Capacity
The CBI introduces the concept of "recovery capacity" in Part A which it defines as the point of closure to new business and how this would be managed. No such equivalent concept is found in the IAIS framework.

Corporate and Financial Structures
The CBI prescribes very detailed requirements the information on the insurer's business in the recovery plan in respect of exposures, risk transfers, reinsurance, financial guarantees, operational interconnectedness, counterparties etc. in Part E. The IAIS while addressing these areas again applies a proportionate approach as per paragraph 50 of its application paper "*The description should summarise the insurer's operational business structure, legal structure, key jurisdictions in which it is active, entities covered by the plan, functions and/or services that are significant for the continuation of business, key dependencies or interdependencies, and any other relevant information. Examples of functions and/or services that are significant for the continuation of business include information technology services, management services, shared services (if a group) and necessary outsourced functions. This will enable all decision-makers and supervisors to assess the implications of different recovery actions for the insurer or all entities in a group, and the group as a whole*"

Recovery Actions
The CBI framework is significantly more prescriptive than the IAIS framework with respect to level of detail on recovery actions with the IAIS listing elements that "*may be considered for inclusion*" where the CBI requires specific granular details.
The CBI require in Part G(b)(vi) "*valuation assumptions and all other material assumptions" be provided for the purpose of valuing business lines, operations or assets*". Valuation assumptions could be very granular for insurance businesses and this level of detail is not required by the IAIS.
In Part G(c)(iii) the CBI require "*an analysis of how impediments described [to recovery options] could be overcome by the insurer*". This is not required by the IAIS.

Scenarios
Again the CBI framework is generally much more prescriptive and granular than the IAIS regarding scenarios. The CBI prescribe a closure to new business scenario in Part H(a)(iv).
The CBI proceeds to require in Part H(f) an analysis of actions required by the insurer following closure to new business and in Part H(g) lists very detailed requirements in terms of governance, ongoing capital and liquidity, operations and services, expense assumptions, timescale for actions in closure to new business and business transfer funding assumptions in the closure to new business scenario.
The closure to new business scenario and the corresponding analyses are not required in the IAIS framework.

Preparatory Measures

The IAIS notes in its application paper that preparatory measures "*could be noted in the recovery plan*" where relevant. The CBI on the other hand goes much further in requiring an analysis of preparatory measures that "are necessary for the insurer to take to facilitate the implementation of recovery options or to improve effectiveness" in Part J and goes on to request a timeline for the implementation of those preparatory measures, indicating that preparatory measures need to be implemented before entry into recovery.