

## APPENDIX 1

### CAYMAN ISLANDS MONETARY AUTHORITY

#### SUMMARY OF PRIVATE SECTOR CONSULTATION AND FEEDBACK STATEMENT



#### RISK MANAGEMENT FOR INSURERS

##### Regulatory Measure

##### Rule: Risk Management for Insurers

Section of proposed Rule	Industry Comment	Authority's response	Consequent amendments to the draft Rule
5.1.2	Remove this paragraph and insert as new 3.2 as part of Scope of Application in order to clarify that this covers all aspects of the Rule.	The "Scope of Application" speaks specifically to whom the Rule applies to. 5.1.2 is part of the overall application of 5.1 "The Risk Management Framework". It is presented as a portion of the basic components of a risk management system.	None
5.7.1	Remove the last sentence "For Class B insurers, the independent function may also include an insurance manager." Insert "insurance manager" after "external audit in line 3 in order to clarify that [they] can provide the independent function for all insurers.	While the Insurance Law does not mandate all insurers to have an Insurance Manager, an insurer could choose to appoint an Insurance Manager to specifically conduct a review of its risk management framework.	The Rule will be amended accordingly.
5.8	The Rule should require that a third-party outsourcer have Errors and Omissions insurance as this is a significant point of risk for insurers in the Cayman Islands.	This is a matter for the insurer to deliberate when entering into outsourcing arrangements.	None
	The Rule should refer to adherence to the Cayman Islands' confidentiality regime.	Compliance with this Rule does not negate adherence to any other Law or Regulatory Measure.	None