**ICP Questionnaire – ICP 9 Supervisory Review and Reporting**

This ICP questionnaire is based on ICP 9 version 2019.

## Introduction

For each question, choose the response that most closely corresponds to the situation in YOUR JURISDICTION and YOUR AUTHORITY. Some questions ask about the actual experience in YOUR JURISDICTION during the last three years. Please respond based on your best estimate of what the actual experience has been.

In this survey (as in the ICPs), the term “legislation” is used to include both primary legislation (which generally requires full legislative consent) and secondary and other forms of legislation, including rules and regulations which have the legal force of law but are usually the responsibility of the supervisor.

It is recommended that you prepare all answers to this questionnaire in advance and obtain approval in your supervisory authority before entering the results in the ICP Self-Assessment Tool (SAT) via [www.icp-selfassessment.org](http://www.icp-selfassessment.org)

Please note that in contrast to other ICP assessment processes the ICP SAT only takes into account your answers to multiple choice questions without any qualitative review. Therefore the results are only high level and non-binding.

**Questionnaire**

**9 The supervisor uses off-site monitoring and on-site inspections to: examine the business of each insurer; evaluate its financial condition, conduct of business, corporate governance framework and overall risk profile; and assess its compliance with relevant legislation and supervisory requirements. The supervisor obtains the necessary information to conduct effective supervision of insurers and evaluate the insurance market.**

**9.1 The supervisor has a documented framework which outlines its approach for supervisory review and reporting. The supervisor reviews periodically that this framework remains effective and adequate.**

1. To what extent does YOUR AUTHORITY have a **documented framework** which outlines your approach for supervisory review and reporting?
   1. The framework is both comprehensive[[1]](#footnote-1) and well-documented.
   2. The framework is comprehensive, and many aspects of it have been documented.
   3. The framework is comprehensive, but many aspects of it have not been documented.
   4. The framework includes many important elements, and many aspects of it have been documented.
   5. The framework includes several elements, but many aspects of it have not been documented.
   6. The framework has significant gaps, but all or most aspects that exist have been documented.
   7. The framework has significant gaps and many aspects of it have not been and documented.
   8. There is no framework for supervisory review and reporting.
2. How does YOUR AUTHORITY **determine** that its supervisory framework **remains effective and adequate**?
   1. A formal mechanism exists to review periodically that the supervisory framework remains effective and adequate.
   2. Although no formal mechanism exists, in practice YOUR AUTHORITY reviews periodically that the supervisory framework remains effective and adequate.
   3. Although no formal mechanism exists, in practice YOUR AUTHORITY reviews whether its supervisory framework remains effective and adequate in response to supervisory or stakeholder concerns, when they arise.
   4. YOUR AUTHORITY does not review whether its supervisory framework remains effective and adequate.
3. During the last three years, to what extent has YOUR AUTHORITY **reviewed** its supervisory framework to determine that its supervisory framework remains effective and adequate?
   1. A systematic, proportionate and comprehensive review of the supervisory framework has been undertaken.
   2. A review of some, but not all, elements of the supervisory framework has been done.
   3. Selected elements of the supervisory framework have been reviewed, in response to supervisory or stakeholder concerns that arose.
   4. The supervisory framework has not been reviewed because sufficient resources have not been available.
   5. YOUR AUTHORITY does not review whether its supervisory framework remains effective and adequate.
   6. No part of the supervisory framework has been reviewed because the existing framework was considered to remain effective and adequate.

**9.2 As part of the supervisory framework, the supervisor develops supervisory plans, which set priorities and determine the appropriate depth and level of off-site monitoring and on-site inspection activity.**

1. To what extent does YOUR AUTHORITY address the following **aspects** in its **supervisory plans**?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Addressed in detail | 2. Addressed, not in detail | 3. Not addressed | 4. Not applicable |
| a. Priorities for off-site monitoring. |  |  |  |  |
| b. Priorities for on-site inspections. |  |  |  |  |
| c. Depth and level of off-site monitoring. |  |  |  |  |
| d. Depth and level of on-site inspections. |  |  |  |  |

1. Which of the following **factors** does YOUR AUTHORITY **take into account** in establishing supervisory plans for insurers? (More than one response from options 1 through 6 may be entered, if applicable.)
   1. The type of the insurer (for example, life versus non-life, or direct insurer versus reinsurer).
   2. The size of the insurer.
   3. The risk profile of the insurer (risk to which insurers are exposed to or risks which insurers may pose).
   4. Quantitative changes to the insurer, such as its financial results.
   5. Qualitative changes to the insurer, such as changes in management or strategy.
   6. Other differentiating factors.
   7. A set plan is used for off-site monitoring and on-site inspections, which does not consider differentiating factors.
2. During the last three years, to what extent has YOUR AUTHORITY **achieved** the following aspects of its supervisory plans?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Plans have always been achieved | 2. Plans have largely been achieved | 3. Plans have sometimes been achieved | 4. Plans have seldom been achieved | 5. Not applicable |
| a. Off-site monitoring in accordance with priorities. |  |  |  |  |  |
| b. On-site inspections in accordance with priorities. |  |  |  |  |  |
| c. Depth and level of off-site monitoring. |  |  |  |  |  |
| d. Depth and level of on-site inspections. |  |  |  |  |  |

**9.3 The supervisor reviews outsourced material activities or functions to the same level** **as non-outsourced material activities or functions.**

1. **How** does YOUR AUTHORITY **review** outsourced material activities or functions of insurers?
   1. Outsourced material activities or functions are reviewed **not only** through the insurer itself **but also** by obtaining information from, and conducting on-site inspections of, entities engaged in providing outsourced activities or functions for the insurer, **where necessary and/or subject to the agreement of the insurer or the provider**.
   2. Outsourced material activities or functions are reviewed **only** through the insurer itself **not** by obtaining information from, or conducting on-site inspections of, entities engaged in providing outsourced activities or functions for the insurer, even when necessary.
   3. Outsourced material activities or functions are **not reviewed**.
   4. Insurers in YOUR JURISDICTION are **not allowed** to outsource material activities or functions.
   5. This question is not applicable, because **no insurers** in YOUR JURISDICTION have outsourced material activities or functions.
2. During the last three years, to what extent has YOUR AUTHORITY **reviewed outsourced** material activities or functions of insurers?
   1. Outsourced material activities or functions were always reviewed to the **same level** as non-outsourced material activities or functions.
   2. Outsourced material activities or functions were always reviewed, but generally to a lesser level than non-outsourced material activities or functions.
   3. Outsourced material activities or functions were usually reviewed, but generally to a **lesser level** than non-outsourced material activities or functions.
   4. Outsourced material activities or functions were sometimes reviewed but only if YOUR AUTHORITY had **concerns** regarding such activities or functions.
   5. Outsourced material activities or functions were **not reviewed**.
   6. Insurers in YOUR JURISDICTION are **not allowed** to outsource material activities or functions.
   7. This question is not applicable, because **no insurers** in YOUR JURISDICTION have outsourced material activities or functions.

**9.4 The Supervisor: establishes documented requirements for the regular reporting of qualitative and quantitative information from all insurers licensed in its jurisdiction; defines the scope, content and frequency of the information to be reported; sets out the relevant accounting and auditing standards to be used; requires that an external audit opinion is provided on annual financial statements; requires insurers to report on any material changes or incidents that could affect their condition or customers; requires insurers to correct inaccurate reporting as soon as possible; and requires more frequent reporting and/or additional information from insurers as needed.**

1. **How** are the following aspects related to reporting by insurers **addressed** in YOUR JURISDICTION? (More than one response from columns 1 to 4 may be entered on a row, where applicable)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Legislation | 2. Published supervisory guidelines | 3. Communicated by the supervisor, but not legally required | 4. Not addressed |
| a. Requirements for the regular reporting of qualitative information. |  |  |  |  |
| b. Requirements for the regular reporting of quantitative information. |  |  |  |  |
| c. Definition of the scope and content of the required regular reports and information. |  |  |  |  |
| d. Definition of the frequency of the required regular reports and information. |  |  |  |  |
| e. Setting out the accounting and auditing standards to be used for supervisory purposes. |  |  |  |  |
| f. Requiring that an external audit opinion is provided on annual financial statements or supervisory reporting (if separate). |  |  |  |  |
| g. Requiring insurers to report on any material changes or incidents that could affect their condition. |  |  |  |  |
| h. Requiring insurers to report on any material changes or incidents that could affect their customers. |  |  |  |  |
| i. Requiring insurers to correct inaccurate reporting as soon as possible. |  |  |  |  |
| j. Requiring more frequent reporting and/or additional information from insurers as needed (ad hoc reporting). |  |  |  |  |

1. **To what extent** do the following aspects related to reporting **apply** to the insurers licensed in YOUR JURISDICTION?[[2]](#footnote-2)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. All licensed insurers | 2. Most licensed insurers | 3. Some licensed insurers | 4. No licensed insurers |
| a. Requirements for the regular reporting of qualitative information. |  |  |  |  |
| b. Requirements for the regular reporting of quantitative information. |  |  |  |  |
| c. Definition of the scope and content of the required regular reports and information. |  |  |  |  |
| d. Definition of the frequency of the required regular reports and information. |  |  |  |  |
| e. Setting out the accounting and auditing standards to be used. |  |  |  |  |
| f. Requiring that an external audit opinion is provided on annual financial statements. |  |  |  |  |
| g. Requiring insurers to report on any material changes or incidents that could affect their condition. |  |  |  |  |
| h. Requiring insurers to report on any material changes or incidents that could affect their customers. |  |  |  |  |
| i. Requiring insurers to correct inaccurate reporting as soon as possible. |  |  |  |  |
| j. Requiring more frequent reporting and/or additional information from insurers as needed. |  |  |  |  |

1. During the last three years, to what extent has YOUR AUTHORITY **required** more frequent reporting and/or additional information from insurers as needed?
   1. YOUR AUTHORITY has always required additional reporting and/or information.
   2. YOUR AUTHORITY has usually required additional reporting and/or information.
   3. YOUR AUTHORITY has sometimes required additional reporting and/or information.
   4. YOUR AUTHORITY has seldom required additional reporting and/or information.
   5. YOUR AUTHORITY does not have the power to require additional reporting and/or information.
   6. Although YOUR AUTHORITY has the power to require additional reporting and/or information, there has never been a situation when it considered them to be necessary.

**9.5 The supervisor monitors insurers on an ongoing basis, based on communication with the insurer and analysis of information obtained through supervisory reporting as well as market and other relevant information.**

1. To what extent does YOUR AUTHORITY utilize the following **practices** in its ongoing monitoring of insurers? (More than one response from columns 1 to 5 may be entered on a row, where applicable)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Always | 2. Usually | 3. Sometimes | 4. Seldom | 5. Not utilized |
| a. Communication with the insurer. |  |  |  |  |  |
| b. Analysis of qualitative information obtained through supervisory reporting. |  |  |  |  |  |
| c. Analysis of quantitative information obtained through supervisory reporting. |  |  |  |  |  |
| d. Analysis of market and other relevant information. |  |  |  |  |  |

**9.6 The supervisor sets the objective, scope, and timing for on-site inspections of insurers, develops corresponding work programmes and conducts such inspections.**

1. Has YOUR AUTHORITY set the following **aspects** related to on-site inspections in YOUR JURISDICTION?

|  |  |  |
| --- | --- | --- |
|  | 1. Yes | 2. No |
| a. Objective of an on-site inspection. |  |  |
| b. Scope of an on-site inspection. |  |  |
| c. Timing of an on-site inspection. |  |  |
| d. Composition of the inspection teams. |  |  |

1. To what extent would an insurer be subject to the following **types** of on-site inspections in YOUR JURISDICTION?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Regularly, based on risk assessment, and subject to a minimum frequency | 2. Regularly, with the frequency not based on risk assessment | 3. Based on risk assessment, with no minimum frequency | 4. Sometimes, but not based on risk assessment | 5. Not utilized |
| a. Broad inspection, focused on assessment of risks. |  |  |  |  |  |
| b. Broad inspection, focused on assessment of compliance. |  |  |  |  |  |
| c. Targeted inspection, focused on assessment of risks. (including follow-up inspections) |  |  |  |  |  |
| d. Targeted inspection, focused on assessment of compliance. (including follow-up inspections) |  |  |  |  |  |

**9.7 The supervisor discusses with the insurer as soon as practical any relevant findings of the supervisory review and the need for any preventive or corrective measures.**

1. During the last three years, to what extent have the following **steps** been taken by YOUR AUTHORITY **after** performing a **supervisory review**?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. In all cases where applicable | 2. In most, but not all, cases where applicable | 3. In some, but not most, of the cases where applicable | 4. Never, even where applicable | 5. Never, because no cases arose where this was applicable |
| a. Discussed with the insurer any relevant findings. |  |  |  |  |  |
| b. Provided the insurer a written report of any relevant findings. |  |  |  |  |  |
| c. Discussed with the insurer the need for preventive or corrective measures. |  |  |  |  |  |
| d. Provided the insurer a written report of any preventive or corrective measures required by YOUR AUTHORITY. |  |  |  |  |  |

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1. The guidance for Standard 9.1 describes various elements that might be part of a framework for supervisory review and reporting. A framework that includes all or most of these elements could be considered “comprehensive”. [↑](#footnote-ref-1)
2. Taking into consideration “proportionality” as described in par. 9 of the ICP Introduction [↑](#footnote-ref-2)