# ICP Questionnaire – ICP 24 Macroprudential Surveillance and Insurance Supervision

This ICP questionnaire is based on ICP 24 version 2011.

## 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

**24 The supervisor identifies, monitors and analyses market and financial developments and other environmental factors that may impact insurers and insurance markets and uses this information in the supervision of individual insurers. Such tasks should, where appropriate, utilise information from, and insights gained by, other national authorities.**

**24.1 The supervisor identifies underlying trends within the insurance sector by collecting data on, but not limited to, profitability, capital position, liabilities, assets and underwriting, to the extent that it has information available at the level of legal entities and groups. The supervisor also develops and applies appropriate tools that take into account the nature, scale and complexity of insurers, as well as non-core activities of insurance groups, to limit significant systemic risk.**

1. To what extent does YOUR AUTHORITY use data on the insurance sector to identify underlying trends within the sector?
	1. YOUR AUTHORITY has an established process for using data on the insurance sector to identify underlying trends within the sector and applies such process more frequently than annually.
	2. YOUR AUTHORITY has an established process for using data on the insurance sector to identify underlying trends within the sector and applies such process annually.
	3. YOUR AUTHORITY has not established a process for using data on the insurance sector to identify underlying trends within the sector, but it does this on a less formal basis at least annually.
	4. YOUR AUTHORITY sometimes uses data on the insurance sector to identify underlying trends within the sector, but less frequently than annually.
	5. YOUR AUTHORITY seldom if ever uses data on the insurance sector to identify underlying trends within the sector.
2. What types of data on the insurance sector does YOUR AUTHORITY collect and use in its identification of underlying trends within the sector?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Collected and always used | 2. Collected and usually used | 3. Collected and sometimes used | 4. Collected but seldom if ever used | 5. Not collected |
| a. Data on profitability at the level of legal entities |  |  |  |  |  |
| b. Data on capital position at the level of legal entities |  |  |  |  |  |
| c. Data on liabilities at the level of legal entities |  |  |  |  |  |
| d. Data on assets at the level of legal entities |  |  |  |  |  |
| e. Data on underwriting at the level of legal entities |  |  |  |  |  |

1. What types of data on the insurance sector does YOUR AUTHORITY collect and use in its identification of underlying trends within the sector?

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1. Collected and always used | 2. Collected and usually used | 3. Collected and sometimes used | 4. Collected but seldom if ever used | 5. Not collected | 6. Not applicable, because there are no groups in YOUR JURISDICTION |
| a. Data on profitability at the level of groups |  |  |  |  |  |  |
| b. Data on capital position at the level of groups |  |  |  |  |  |  |
| c. Data on liabilities at the level of groups |  |  |  |  |  |  |
| d. Data on assets at the level of groups |  |  |  |  |  |  |
| e. Data on underwriting at the level of groups |  |  |  |  |  |  |

1. To what extent has YOUR AUTHORITY developed and applied tools to limit significant systemic risk? In this survey (and as adopted by the IAIS in 2011), the term “systemic risk” is used to mean a risk of disruption to financial services that (i) is caused by an impairment of all or parts of the financial system and (ii) has the potential to have serious negative consequences for the real economy.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Fully addressed | 2. Largely addressed | 3. Partly addressed | 4. Not addressed | 5. Not applicable, because there are no groups in YOUR JURISDICTION |
| a. Tools have been developed to identify systemic risk |  |  |  |  |  |
| b. Tools to identify systemic risk are regularly applied |  |  |  |  |  |
| c. Tools have been developed that can be used to limit significant systemic risk |  |  |  |  |  |
| d. Tools to limit systemic risk take into account the nature, scale and complexity of insurers |  |  |  |  |  |
| e. Tools to limit systemic risk take into account the non-core activities (e.g. NTNI) of insurance groups |  |  |  |  |  |

1. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action to limit significant systemic risk in situations where it identified such risks?
	1. All such situations were dealt with in a timely and effective manner.
	2. Most such situations were dealt with in a timely manner, but the actions taken were not always effective.
	3. Most such situations were dealt with by taking appropriate actions, but not always in a timely manner.
	4. Some such situations were dealt with.
	5. Most such situations were not dealt with.
	6. This question is not applicable, because no such situations arose during the last three years.

**24.2 The supervisor, in performing market analysis, considers not only past developments and the present situation, but also trends, potential risks and plausible unfavourable future scenarios with the objective and capacity to take action at an early stage, if required.**

1. To what extent does YOUR AUTHORITY, in performing market analysis, consider not only the past and the present, but also the future?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Fully addressed | 2. Largely addressed | 3. Partly addressed | 4. Not addressed |
| a. YOUR AUTHORITY considers past developments |  |  |  |  |
| b. YOUR AUTHORITY considers the present situation |  |  |  |  |
| c. YOUR AUTHORITY considers trends |  |  |  |  |
| d. YOUR AUTHORITY considers potential risks |  |  |  |  |
| e. YOUR AUTHORITY considers plausible unfavourable future scenarios |  |  |  |  |

1. To what extent does YOUR AUTHORITY have both the objective and the capacity to take action at an early stage, if required, in response to risks identified through its market analysis?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Fully addressed | 2. Largely addressed | 3. Partly addressed | 4. Not addressed |
| a. The objectives of YOUR AUTHORITY in performing market analysis include identifying risks in order to facilitate early action, if required |  |  |  |  |
| b. YOUR AUTHORITY has the power to take action at an early stage, if required, in response to risks identified through its market analysis |  |  |  |  |
| c. YOUR AUTHORITY has the necessary resources to take action at an early stage, if required, in response to risks identified through its market analysis |  |  |  |  |

1. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action in response to situations where its market analysis identified risks, which required action at an early stage?
	1. All such situations were dealt with in a timely and effective manner.
	2. Most such situations were dealt with in a timely manner, but the actions taken were not always effective.
	3. Most such situations were dealt with by taking appropriate actions, but not always in a timely manner.
	4. Some such situations were dealt with.
	5. Most such situations were not dealt with.
	6. This question is not applicable, because no such situations arose during the last three years.

**24.3 The supervisor performs both quantitative and qualitative analysis and makes use of both public and other sources of information, including horizontal reviews of insurers and relevant data aggregation.**

1. To what extent does YOUR AUTHORITY use the following sources of information in its market analysis?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Always | 2. Usually | 3. Sometimes | 4. Seldom if ever |
| a. Public sources of information about the insurance sector in YOUR JURISDICTION |  |  |  |  |
| b. Public sources of information about the other financial sectors in YOUR JURISDICTION |  |  |  |  |
| c. Public sources of information about macroeconomic factors in YOUR JURISDICTION |  |  |  |  |
| d. Public sources of information about the insurance sector internationally |  |  |  |  |
| e. Public sources of information about the other financial sectors internationally |  |  |  |  |
| f. Public sources of information about macroeconomic factors internationally |  |  |  |  |
| g. Non-public sources of information, to the extent available, about the insurance sector in YOUR JURISDICTION |  |  |  |  |
| h. Non-public sources of information , to the extent available, about the other financial sectors in YOUR JURISDICTION, for example, discussions with the relevant supervisors |  |  |  |  |
| i. Non-public sources of information , to the extent available, about macroeconomic factors in YOUR JURISDICTION |  |  |  |  |
| j. Non-public sources of information , to the extent available, about the insurance sector internationally, for example, discussions with the relevant supervisors |  |  |  |  |
| k. Non-public sources of information , to the extent available, about the other financial sectors internationally, for example, discussions with the relevant supervisors |  |  |  |  |
| l. Non-public sources of information , to the extent available, about macroeconomic factors internationally |  |  |  |  |

1. To what extent does YOUR AUTHORITY use the following techniques as part of its market analysis?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Always | 2. Usually | 3. Sometimes | 4. Seldom if ever | 5. Not applicable because of the nature of the insurance market in YOUR JURISDICTION |
| a. Quantitative analysis |  |  |  |  |  |
| b. Qualitative analysis |  |  |  |  |  |
| c. Relevant data aggregation, for example, by insurance industry subsector |  |  |  |  |  |

1. To what extent does YOUR AUTHORITY perform horizontal reviews of insurers as part of its market analysis?
	1. Regularly. At least one horizontal review is performed every year.
	2. Frequently, but a horizontal review is not always performed every year.
	3. Sometimes.
	4. Seldom if ever.
	5. This question is not applicable because of the nature of the insurance market in YOUR JURISDICTION (for example, there is only one insurer).

**24.4 The supervisor uses market-wide data to analyse and monitor the actual or potential impact on the financial stability of insurance markets in general and of insurers in particular and takes appropriate action. The supervisor also makes sufficiently detailed aggregated market data publicly available.**

1. To what extent does YOUR AUTHORITY analyse and monitor the actual or potential impact of various risks on the financial stability of the insurance sector?
	1. YOUR AUTHORITY has an established process for assessing risks to the financial stability of the insurance sector and applies such process more frequently than annually.
	2. YOUR AUTHORITY has an established process for assessing risks to the financial stability of the insurance sector and applies such process annually.
	3. YOUR AUTHORITY has not established a process for assessing risks to the financial stability of the insurance sector, but it does this on a less formal basis at least annually.
	4. YOUR AUTHORITY sometimes assesses risks to the financial stability of the insurance sector, but less frequently than annually.
	5. YOUR AUTHORITY seldom if ever assesses risks to the financial stability of the insurance sector.
2. To what extent does the analysis and monitoring of the actual or potential impact of various risks on the financial stability of the insurance sector by YOUR AUTHORITY include the following elements?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Always | 2. Usually | 3. Sometimes | 4. Seldom if ever |
| a. YOUR AUTHORITY uses market-wide data about the insurance sector in YOUR JURISDICTION |  |  |  |  |
| b. YOUR AUTHORITY uses market-wide data about the other financial sectors in YOUR JURISDICTION |  |  |  |  |
| c. YOUR AUTHORITY uses market-wide data about the insurance sector internationally |  |  |  |  |
| d. YOUR AUTHORITY uses market-wide data about the other financial sectors internationally |  |  |  |  |
| e. YOUR AUTHORITY analyses the potential impact of unrealized risks on the financial stability of insurance markets in general |  |  |  |  |
| f. YOUR AUTHORITY analyses the potential impact of unrealized risks on the financial stability of insurers in particular |  |  |  |  |
| g. YOUR AUTHORITY analyses and monitors the actual impact of realized risks on the financial stability of insurance markets in general |  |  |  |  |
| h. YOUR AUTHORITY analyses and monitors the actual impact of realized risks on the financial stability of insurers in particular |  |  |  |  |

1. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action in response to situations where its analysis and monitoring showed a significant actual or potential impact of various risks on the financial stability of the insurance sector?
	1. All such situations were dealt with in a timely and effective manner.
	2. Most such situations were dealt with in a timely manner, but the actions taken were not always effective or their results were inconclusive.
	3. Most such situations were dealt with by taking appropriate actions, but not always in a timely manner.
	4. Some such situations were dealt with.
	5. Most such situations were not dealt with.
	6. This question is not applicable, because no such situations arose during the last three years.
2. To what extent does YOUR AUTHORITY (and/or one or more other organisations in YOUR JURISDICTION, where relevant) make sufficiently detailed insurance aggregated market data publicly available?
	1. Aggregated insurance market data is publicly available e.g. on the Internet. Such data is updated at least annually and is sufficiently detailed to enable market participants to make their own assessments of the insurance market in YOUR JURISDICTION.
	2. Aggregated insurance market data is made publicly available annually or more frequently. However, such data is not sufficiently detailed to enable market participants to make their own assessments of the insurance market in YOUR JURISDICTION.
	3. Aggregated insurance market data is made publicly available, but is updated less frequently than annually. Such data is sufficiently detailed to enable market participants to make their own assessments of the insurance market in YOUR JURISDICTION.
	4. Aggregated insurance market data is made publicly available, but less frequently than annually. Such data is not sufficiently detailed to enable market participants to make their own assessments of the insurance market in YOUR JURISDICTION.
	5. Neither YOUR AUTHORITY nor other organisations in YOUR JURISDICTION make aggregated insurance market data publicly available.

**24.5 The supervisor assesses the extent to which macro-economic vulnerabilities and financial market risks impinge on prudential safeguards or the financial stability of the insurance sector.**

1. To what extent does YOUR AUTHORITY assess the extent to which macro-economic vulnerabilities and financial market risks, for example, risks arising in a financial sector other than insurance, impinge on prudential safeguards or the financial stability of the insurance sector?
	1. YOUR AUTHORITY has an established process for assessing the extent to which macro-economic vulnerabilities and financial market risks impinge on prudential safeguards or the financial stability of the insurance sector and applies such process more frequently than annually.
	2. YOUR AUTHORITY has an established process for assessing the extent to which macro-economic vulnerabilities and financial market risks impinge on prudential safeguards or the financial stability of the insurance sector and applies such process annually.
	3. YOUR AUTHORITY has not established a process for assessing the extent to which macro-economic vulnerabilities and financial market risks impinge on prudential safeguards or the financial stability of the insurance sector, but it does this on a less formal basis at least annually.
	4. YOUR AUTHORITY sometimes assesses the extent to which macro-economic vulnerabilities and financial market risks impinge on prudential safeguards or the financial stability of the insurance sector, but less frequently than annually.
	5. YOUR AUTHORITY seldom if ever assesses the extent to which macro-economic vulnerabilities and financial market risks impinge on prudential safeguards or the financial stability of the insurance sector.

**24.6 The supervisor has an established process to assess the potential systemic importance of insurers, including policies they underwrite and instruments they issue in traditional and non-traditional lines of business.**

1. To what extent does YOUR AUTHORITY assess the potential systemic importance of insurers?
	1. YOUR AUTHORITY has an established process for assessing the potential systemic importance of insurers and applies such process more frequently than annually.
	2. YOUR AUTHORITY has an established process for assessing the potential systemic importance of insurers and applies such process annually.
	3. YOUR AUTHORITY has not established a process for assessing the potential systemic importance of insurers, but it does this on a less formal basis at least annually.
	4. YOUR AUTHORITY sometimes assesses the potential systemic importance of insurers, but less frequently than annually.
	5. YOUR AUTHORITY seldom if ever assesses the potential systemic importance of insurers.
	6. This question is not applicable because of the nature of the insurance market in YOUR JURISDICTION.
2. To what extent does the assessment of the potential systemic importance of insurers by YOUR AUTHORITY consider the following elements?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Fully and explicitly considered | 2. Considered in general terms | 3. Partly considered | 4. Not considered | 5. Not applicable because of the nature of the insurance market in YOUR JURISDICTION |
| a. The nature of an insurer’s business, including the policies it underwrites and the instruments it issues in traditional lines of business |  |  |  |  |  |
| b. The nature of an insurer’s business, including the policies it underwrites and the instruments it issues in non-traditional lines of business |  |  |  |  |  |
| c. The scale of an insurer’s business |  |  |  |  |  |
| d. The complexity of an insurer’s business |  |  |  |  |  |
| e. The lack of substitutability of an insurer’s business, in other words, the extent to which it would be difficult for others to provide the same or similar services in the event of the insurer’s failure |  |  |  |  |  |
| f. The interconnectedness of an insurer’s business, in other words, the extent to which direct or indirect interlinkages would cause repercussions around the financial system in the event of the insurer’s failure |  |  |  |  |  |
| g. The results of the market analysis performed by YOUR AUTHORITY |  |  |  |  |  |

**24.7 If the supervisor identifies an insurer as systemically important, it develops an appropriate supervisory response, which is commensurate with the nature and degree of the risk.**

1. To what extent does the response by YOUR AUTHORITY where it has identified an insurer as systemically important include the following elements?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Always | 2. Usually | 3. Sometimes | 4. Seldom if ever | 5. Not applicable because there are no systemically important insurers in YOUR JURISDICTION |
| a. Additional or stronger prudential requirements are applied to a systemically important insurer |  |  |  |  |  |
| b. YOUR AUTHORITY more intensively supervises a systemically important insurer |  |  |  |  |  |
| c. Enhanced resolution requirements are applied to a systemically important insurer |  |  |  |  |  |

1. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action in response to situations where it has identified an insurer as systemically important?
	1. All such situations were dealt with in a timely and effective manner, which were commensurate with the nature and degree of the risk.
	2. Most such situations were dealt with in a timely manner, but the actions taken were not always commensurate with the nature and degree of the risk.
	3. Most such situations were dealt with by taking appropriate actions, which were commensurate with the nature and degree of the risk, but not always in a timely manner.
	4. Some such situations were dealt with.
	5. Most such situations were not dealt with.
	6. This question is not applicable, because no such situations arose during the last three years.

*Material provided by the International Association of Insurance Supervisors (IAIS) is reproduced with the kind permission of the IAIS. © International Association of Insurance Supervisors. All rights reserved. Reproduction or translation of this material in unaltered form is authorised provided that: it is not used for private or commercial gain, the IAIS is cited as the source and the copyright holder and any translation into another language than English (the official language for IAIS documents) contains a prominent disclaimer that it is not an official IAIS translation.*