# ICP Questionnaire – ICP 15 Investment

This ICP questionnaire is based on ICP 15 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. If records or reports exist that would help you to respond to such questions, please refer to them. If not, please respond based on your best estimate of what the actual experience has been.

If your response to one or more questions would differ significantly for different types of insurers, for example, life insurers versus non-life insurers, then please respond to each such question with respect the same type of insurer.

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. The term “supervisory guidelines” means documents issued by the supervisor to communicate expectations to the industry, which do not have the legal force of law. In this survey, the term “requirements” means requirements that apply broadly to insurers or to a type of insurer, for example, non-life insurers.

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

**15 The supervisor establishes requirements for solvency purposes on the investment activities of insurers in order to address the risks faced by insurers.**

**15.1 The supervisor establishes requirements that are applicable to the investment activities of the insurer.**

1. How have the requirements that are applicable to the investment activities of insurers been established in YOUR JURISDICTION?
   1. The requirements have been explicitly established by legislation.
   2. The requirements have been broadly established by legislation and further elaborated through supervisory guidelines.
   3. The requirements have been established through supervisory guidelines.
   4. There are no specific requirements, but YOUR AUTHORITY advises insurers when it has concerns regarding their investment activities.
   5. There are no such requirements in YOUR JURISDICTION.

**15.2 The supervisor is open and transparent as to the regulatory investment requirements that apply and is explicit about the objectives of those requirements.**

1. To what extent are the regulatory requirements that are applicable to the investment activities of insurers in YOUR JURISDICTION open and transparent?
   1. All such requirements have been published.
   2. Most such requirements have been published, with the remaining requirements available to the public upon request to YOUR AUTHORITY.
   3. Most such requirements have been published, but some requirements have been communicated only to insurers.
   4. Some such requirements have been published, but many requirements are available only to insurers upon request to YOUR AUTHORITY.
   5. Such requirements have not been published, but they are available to insurers upon request to YOUR AUTHORITY.
   6. No such requirements are available in writing, even to insurers.
2. To what extent is YOUR AUTHORITY explicit about the objectives of the regulatory requirements that are applicable to the investment activities of insurers in YOUR JURISDICTION?
   1. YOUR AUTHORITY has communicated the explicit objectives of the regulatory requirements related to the investment activities of insurers.
   2. YOUR AUTHORITY has communicated the objectives of the regulatory requirements related to the investment activities of insurers, in general terms.
   3. YOUR AUTHORITY has communicated some of the objectives of the regulatory requirements related to the investment activities of insurers.
   4. YOUR AUTHORITY has not communicated the objectives of the regulatory requirements related to the investment activities of insurers.
   5. YOUR AUTHORITY has not defined the objectives of the regulatory requirements related to the investment activities of insurers.

**15.3 The regulatory investment requirements address at a minimum, the**

• **Security;**

• **Liquidity; and**

• **Diversification;**

**of an insurer’s portfolio of investments as a whole.**

1. To what extent do the regulatory investment requirements in YOUR JURISDICTION address the security, liquidity, and diversification of an insurer’s portfolio of investments?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Fully and explicitly addressed | 2. Addressed in general terms | 3. Partly addressed | 4. Not addressed |
| 1. Security of the value of individual investments |  |  |  |  |
| 1. Security of the value of the portfolio of investments as a whole |  |  |  |  |
| 1. Security of the safekeeping of investments |  |  |  |  |
| 1. Liquidity of individual investments |  |  |  |  |
| 1. Liquidity of the portfolio of investments as a whole |  |  |  |  |
| 1. Diversification of investments within a risk category |  |  |  |  |
| 1. Diversification of investments among risk categories |  |  |  |  |

**15.4 The supervisor requires the insurer to invest in a manner that is appropriate to the nature of its liabilities.**

1. To what extent are insurers in YOUR JURISDICTION required to invest in a manner that is appropriate to the nature of their liabilities?
   1. This is explicitly required for all insurers.
   2. This is broadly required by legislation and further elaborated through supervisory guidelines.
   3. This is required for life insurers, but not for non-life insurers.
   4. This is not required, but the expectation has been communicated through supervisory guidelines.
   5. There is no specific requirement, but YOUR AUTHORITY advises insurers when in its opinion they are investing in a manner inappropriate to the nature of their liabilities.
   6. There is no such requirement and no supervisory expectation has been communicated in YOUR JURISDICTION.
   7. **The supervisor requires the insurer to invest only in assets whose risks it can properly assess and manage.**
2. To what extent are insurers in YOUR JURISDICTION required to invest only in assets whose risks they can properly assess and manage?
   1. This is explicitly required for all insurers.
   2. This is broadly required, for example, through prudent-person or risk-management requirements.
   3. There is no specific requirement, but this is implicitly the case because the investments of insurers are limited to very safe types of assets.
   4. There is no specific requirement, but YOUR AUTHORITY advises insurers when in its opinion they are investing in assets whose risks they cannot properly assess and manage.
   5. There is no such requirement and no supervisory expectation has been communicated in YOUR JURISDICTION.

**15.6 The supervisor establishes quantitative and qualitative requirements, where appropriate, on the use of more complex and less transparent classes of assets and investment in markets or instruments that are subject to less governance or regulation.**

1. In YOUR JURISDICTION, what is the nature and scope of the requirements on the use of more complex and less transparent classes of assets and investment in markets or instruments that are subject to less governance or regulation?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Such requirements have been established | 2. Such requirements have not been established, because they would not be appropriate | 3. Such requirements have not been established, even though they would be appropriate | 4. Not applicable, because insurers in YOUR JURISDICTION are prohibited from using such investments |
| 1. Quantitative requirements on the use of more complex and less transparent classes of assets |  |  |  |  |
| 1. Qualitative requirements on the use of more complex and less transparent classes of assets |  |  |  |  |
| 1. Quantitative requirements on investment in markets or instruments that are subject to less governance or regulation |  |  |  |  |
| 1. Qualitative requirements on investment in markets or instruments that are subject to less governance or regulation |  |  |  |  |

**15.98 Additional questions part II**

1. How does YOUR AUTHORITY review an insurer's implementation of and compliance with investment requirements?
   1. Reviews are regularly undertaken using off-site monitoring, which is sometimes supplemented by on-site inspection even when there are no supervisory concerns.
   2. Reviews are regularly undertaken using off-site monitoring, which is supplemented by on-site inspection in cases of actual or potential supervisory concerns.
   3. Reviews are undertaken only in cases of actual or potential supervisory concerns.
   4. Reviews are seldom undertaken, even in cases of actual supervisory concerns.
   5. Reviews are never undertaken.
2. During the last three years, to what extent has YOUR AUTHORITY taken appropriate corrective action when there were supervisory concerns regarding an insurer’s implementation of or compliance with investment requirements?
   1. Most concerns were resolved in a timely manner.
   2. Most concerns were resolved, but not always in a timely manner.
   3. Some concerns were resolved.
   4. Most concerns were not resolved.
   5. This question is not applicable, because no such concerns arose during the last three years.

**15.99 Additional questions part III**

1. To what extent do the investment requirements in YOUR JURISDICTION address insurance groups?
   1. Investment requirements exist at both the group level and the legal entity level, and the relationship between them has been clearly defined.
   2. Investment requirements exist at both the group level and the legal entity level, but the relationship between them has not been clearly defined.
   3. Investment requirements do not exist at the group level, but those at the legal entity level explicitly take account of an insurer’s membership of a group.
   4. Investment requirements do not exist at the group level, but those at the legal entity level broadly take account of an insurer’s membership of a group.
   5. Investment requirements do not exist at the group level, and those at the legal entity level do not take account of an insurer’s membership of a group.
   6. There are no investment requirements in YOUR JURISDICTION.
   7. This question is not applicable, because there are no groups in YOUR JURISDICTION.

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