# ICP Questionnaire – ICP 7 Corporate Governance

This ICP questionnaire is based on ICP 7 version 2015.

## 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.

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.

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

**7 The supervisor requires insurers to establish and implement a corporate governance framework which provides for sound and prudent management and oversight of the insurer’s business and adequately recognises and protects the interests of policyholders.**

**7.1 The supervisor requires the insurer’s Board to: ensure that the roles and responsibilities allocated to the Board, Senior Management and Key Persons in Control Functions are clearly defined so as to promote an appropriate separation of the oversight function from the management responsibilities; and provide oversight of the Senior Management.**

1. How is the requirement that an insurer’s Board will ensure that the roles and responsibilities allocated to the Board, Senior Management and Key Persons in Control Functions are clearly defined so as to promote an appropriate separation of the oversight function from the management responsibilities implemented in YOUR JURISDICTION?
   1. This is required under legislation.
   2. This is required under legislation and is further elaborated through published supervisory guidelines.
   3. This is not required under legislation, but the expectation is communicated through published supervisory guidelines.
   4. This is not required under legislation or published supervisory guidelines, but YOUR AUTHORITY advises insurers when its expectation is not being met.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
2. How is the requirement that an insurer’s Board will provide oversight of the Senior Management implemented in YOUR JURISDICTION?
   1. This is required under legislation.
   2. This is required under legislation and is further elaborated through published supervisory guidelines.
   3. This is not required under legislation, but the expectation is communicated through published supervisory guidelines.
   4. This is not required under legislation or published supervisory guidelines, but YOUR AUTHORITY advises insurers when its expectation is not being met.
   5. There is no such requirement or expectation in YOUR JURISDICTION.

**7.2 The supervisor requires the insurer’s Board to set and oversee the implementation of the insurer’s corporate culture, business objectives and strategies for achieving those objectives, in line with the insurer’s long term interests and viability.**

1. How is the requirement that an insurer’s Board will set and oversee the implementation of the insurer’s corporate culture, business objectives and strategies for achieving those objectives, in line with the insurer’s long term interests and viability implemented in YOUR JURISDICTION?
   1. This is required under legislation.
   2. This is required under legislation and is further elaborated through published supervisory guidelines.
   3. This is not required under legislation, but the expectation is communicated through published supervisory guidelines.
   4. This is not required under legislation or through published supervisory guidelines, but YOUR AUTHORITY advises insurers when its expectation is not being met.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
2. How does YOUR AUTHORITY assess the performance of an insurer’s Board in setting and overseeing the implementation of the insurer’s corporate culture, business objectives and strategies for achieving those objectives, in line with the insurer’s long term interests and viability?
   1. Performance is regularly assessed across all insurers.
   2. Performance is occasionally assessed across all insurers even when there are no supervisory concerns.
   3. Performance is assessed only in cases of actual or potential supervisory concerns.
   4. Performance is seldom assessed, even in cases of actual supervisory concerns.
3. During the last three years, has YOUR AUTHORITY successfully resolved supervisory concerns regarding the performance of an insurer’s Board in setting and overseeing the implementation of the insurer’s corporate culture, business objectives and strategies for achieving those objectives?
   1. All concerns were resolved.
   2. Most concerns were resolved.
   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.

**7.3 The supervisor requires the insurer’s Board to have, on an on-going basis: an appropriate number and mix of individuals to ensure that there is an overall adequate level of competence at the Board level commensurate with the governance structure; appropriate internal governance practices and procedures to support the work of the Board in a manner that promotes the efficient, objective and independent judgment and decision making by the Board; and adequate powers and resources to be able to discharge its duties fully and effectively.**

1. How are the following requirements related to the on-going operation of an insurer’s Board implemented in YOUR JURISDICTION?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Required under legislation | 2. Required under legislation and further elaborated through published supervisory guidelines | 3. Not required under legislation, but the expectation is communicated through published supervisory guidelines | 4. Not required under legislation or published supervisory guidelines, but insurers are advised when supervisory expectations are not being met | 5. There is no such requirement or expectation |
| a. There is an appropriate number and mix of individuals to ensure that there is an overall adequate level of competence at the Board level commensurate with the governance structure |  |  |  |  |  |
| b. There are appropriate internal governance practices and procedures to support the work of the Board in a manner that promotes the efficient, objective and independent judgment and decision making by the Board |  |  |  |  |  |
| c. The board has adequate powers and resources to be able to discharge its duties fully and effectively |  |  |  |  |  |

1. How does YOUR AUTHORITY assess the on-going operation of an insurer’s Board with respect to the overall adequacy of its level of competence, internal governance practices and procedures, and powers and resources?
   1. The on-going operation is regularly assessed across all insurers.
   2. The on-going operation is occasionally assessed across all insurers even when there are no supervisory concerns.
   3. The on-going operation is assessed only in cases of actual or potential supervisory concerns.
   4. The on-going operation is seldom assessed, even in cases of actual supervisory concerns.
2. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the on-going operation an insurer’s Board with respect to the overall adequacy of its level of competence, internal governance practices and procedures, or powers and resources?
   1. All concerns were resolved.
   2. Most concerns were resolved.
   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.

**7.4 The supervisor requires that an individual member of the Board: act in good faith, honestly and reasonably; exercise due care and diligence; act in the best interests of the insurer and policyholders, putting those interests ahead of his/her own interests; exercise independent judgment and objectivity in his/her decision making, taking due account of the interests of the insurer and policyholders; and not use his/her position to gain undue personal advantage or cause any detriment to the insurer.**

1. How are the following requirements related to the actions of individual members of an insurer’s Board implemented in YOUR JURISDICTION?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Required under legislation | 2. Required under legislation and further elaborated through published supervisory guidelines | 3. Not required under legislation, but the expectation is communicated through published supervisory guidelines | 4. Not required under legislation or published supervisory guidelines, but insurers are advised when supervisory expectations are not being met | 5. There is no such requirement or expectation |
| a. Act in good faith, honestly and reasonably |  |  |  |  |  |
| b. Exercise due care and diligence |  |  |  |  |  |
| c. Act in the best interests of the insurer and policyholders, putting those interests ahead of his/her own interests |  |  |  |  |  |
| d. Exercise independent judgment and objectivity in his/her decision-making, taking due account of the interests of the insurer and policyholders |  |  |  |  |  |
| e. Not use his/her position to gain undue personal advantage or cause any detriment to the insurer |  |  |  |  |  |

**7.5 The supervisor requires the insurer’s Board to provide oversight in respect of the design and implementation of risk management and internal controls.**

1. How is the requirement that an insurer’s Board will provide oversight in respect of the design and implementation of risk management and internal controls implemented in YOUR JURISDICTION?
   1. This is required under legislation.
   2. This is required under legislation and is further elaborated through published supervisory guidelines.
   3. This is not required under legislation, but the expectation is communicated through published supervisory guidelines.
   4. This is not required under legislation or published supervisory guidelines, but YOUR AUTHORITY advises insurers when its expectation is not being met.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
2. How does YOUR AUTHORITY assess the performance of an insurer’s Board in providing oversight in respect of the design and implementation of risk management and internal controls?
   1. Performance is regularly assessed.
   2. Performance is occasionally assessed even when there are no supervisory concerns.
   3. Performance is assessed only in cases of actual or potential supervisory concerns.
   4. Performance is seldom assessed, even in cases of actual supervisory concerns.
3. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the performance of an insurer’s Board in providing oversight in respect of the design and implementation of risk management and internal controls?
   1. All concerns were resolved.
   2. Most concerns were resolved.
   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.

**7.6 The supervisor requires the insurer’s Board to: adopt and oversee the effective implementation of a written remuneration policy for the insurer, which does not induce excessive or inappropriate risk taking, is in line with the corporate culture, objectives, strategies, identified risk appetite, and long term interests of the insurer, and has proper regard to the interests of its policyholders and other stakeholders; and ensure that such a remuneration policy, at a minimum, covers those individuals who are members of the Board, Senior Management, Key Persons in Control Functions and other employees whose actions may have a material impact on the risk exposure of the insurer (major risk–taking staff).**

1. How are the following requirements related to the remuneration policy of an insurer implemented in YOUR JURISDICTION?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Required under legislation | 2. Required under legislation and further elaborated through published supervisory guidelines | 3. Not required under legislation, but communicated through published supervisory guidelines | 4. Not required under legislation or published supervisory guidelines, but insurers are advised when supervisory expectations are not being met | 5. There is no such requirement or expectation |
| a. The Board adopts and overseas the effective implementation of a written remuneration policy |  |  |  |  |  |
| b. The remuneration policy does not induce excessive or inappropriate risk taking |  |  |  |  |  |
| c. The remuneration policy is in line with the corporate culture, objectives, strategies, identified risk appetite and long term interests of the insurer |  |  |  |  |  |
| d. The remuneration policy has proper regard to the interests of the insurer’s policyholders and other stakeholders |  |  |  |  |  |
| e. The remuneration policy, at a minimum, covers those individuals who are members of the Board, Senior Management, Key Persons in Control Functions and other employees whose actions may have a material impact on the risk exposure of the insurer (major risk-taking staff) |  |  |  |  |  |

1. How does YOUR AUTHORITY assess the performance of an insurer’s Board in adopting and overseeing the design and implementation of an appropriate remuneration policy?
   1. Performance is regularly assessed.
   2. Performance is occasionally assessed even when there are no supervisory concerns.
   3. Performance is assessed only in cases of actual or potential supervisory concerns.
   4. Performance is seldom assessed, even in cases of actual supervisory concerns.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
2. During the last three years, has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the performance of an insurer’s Board in respect of the insurer’s remuneration policy?
   1. Yes, YOUR AUTHORITY has taken appropriate action.
   2. No.
   3. This question is not applicable, because no such concerns arose during the last three years.
3. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the performance of an insurer’s Board in respect of the insurer’s remuneration policy?
   1. All concerns were resolved.
   2. Most concerns were resolved.
   3. Some concerns were resolved.
   4. Most concerns were not resolved.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
   6. This question is not applicable, because no such concerns arose during the last three years.

**7.7 The supervisor requires the insurer’s Board to ensure there is a reliable financial reporting process for both public and supervisory purposes that is supported by clearly defined roles and responsibilities of the Board, Senior Management and the external auditor.**

1. How are the following requirements related to the financial reporting process of an insurer implemented in YOUR JURISDICTION?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Required under legislation | 2. Required under legislation and further elaborated through published supervisory guidelines | 3. Not required under legislation, but communicated through published supervisory guidelines | 4. Not required under legislation or published supervisory guidelines, but insurers are advised when supervisory expectations are not being met | 5. There is no such requirement or expectation |
| a. The Board ensures there is a reliable financial reporting process for public reporting purposes |  |  |  |  |  |
| b. The Board ensures there is a reliable financial reporting process for supervisory reporting purposes |  |  |  |  |  |
| c. The financial reporting process includes clearly defined roles and responsibilities for the Board |  |  |  |  |  |
| d. The financial reporting process includes clearly defined roles and responsibilities for Senior Management |  |  |  |  |  |
| e. The financial reporting process includes clearly defined roles and responsibilities for the external auditor |  |  |  |  |  |

1. How does YOUR AUTHORITY assess the performance of an insurer’s Board in adopting and overseeing the design and implementation of a reliable financial reporting process?
   1. Performance is regularly assessed.
   2. Performance is occasionally assessed even when there are no supervisory concerns.
   3. Performance is assessed only in cases of actual or potential supervisory concerns.
   4. Performance is seldom assessed, even in cases of actual supervisory concerns.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
2. During the last three years, has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the performance of an insurer’s Board in respect of the insurer’s financial reporting process?
   1. Yes, YOUR AUTHORITY has taken appropriate action.
   2. No.
   3. This question is not applicable, because no such concerns arose during the last three years.
3. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the performance of an insurer’s Board in respect of the insurer’s financial reporting process?
   1. All concerns were resolved.
   2. Most concerns were resolved.
   3. Some concerns were resolved.
   4. Most concerns were not resolved.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
   6. This question is not applicable, because no such concerns arose during the last three years.

**7.8 The supervisor requires the insurer's Board to** **ensure that there is adequate governance and oversight of the external audit process.**

1. How is the requirement that an insurer’s Board ensure that there is adequate governance and oversight of the external audit process implemented in YOUR JURISDICTION?
   1. This is required under legislation.
   2. This is required under legislation and is further elaborated through published supervisory guidelines.
   3. This is not required under legislation, but the expectation is communicated through published supervisory guidelines.
   4. This is not required under legislation or published supervisory guidelines, but YOUR AUTHORITY advises insurers when its expectation is not being met.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
2. How does YOUR AUTHORITY assess the performance of an insurer’s Board in ensuring that there is adequate governance and oversight of the external audit process?
   1. Performance is regularly assessed.
   2. Performance is occasionally assessed even when there are no supervisory concerns.
   3. Performance is assessed only in cases of actual or potential supervisory concerns.
   4. Performance is seldom assessed, even in cases of actual supervisory concerns.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
3. During the last three years, has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the performance of an insurer’s Board in ensuring that there is adequate governance and oversight of the external audit process?
   1. Yes, YOUR AUTHORITY has taken appropriate action.
   2. No.
   3. This question is not applicable, because no such concerns arose during the last three years.
4. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the performance of an insurer’s Board in ensuring that there is adequate governance and oversight of the external audit process?
   1. All concerns were resolved.
   2. Most concerns were resolved.
   3. Some concerns were resolved.
   4. Most concerns were not resolved.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
   6. This question is not applicable, because no such concerns arose during the last three years.

**7.9 The supervisor requires the insurer’s Board to have systems and controls to ensure appropriate, timely and effective communications with the supervisor on the governance of the insurer.**

1. How is the requirement that an insurer’s Board have systems and controls to ensure appropriate, timely and effective communications with the supervisor on the governance of the insurer implemented in YOUR JURISDICTION?
   1. This is required under legislation.
   2. This is required under legislation and is further elaborated through published supervisory guidelines.
   3. This is not required under legislation, but the expectation is communicated through published supervisory guidelines.
   4. This is not required under legislation or published supervisory guidelines, but YOUR AUTHORITY advises insurers when its expectation is not being met.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
2. How does YOUR AUTHORITY assess the systems and controls of an insurer’s Board in ensuring appropriate, timely and effective communications with the supervisor on the governance of the insurer?
   1. Systems and controls are regularly assessed across all insurers.
   2. Systems and controls are occasionally assessed across all insurers even when there are no supervisory concerns.
   3. Systems and controls are assessed only in cases of actual or potential supervisory concerns.
   4. Systems and controls are seldom assessed, even in cases of actual supervisory concerns.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
3. During the last three years, has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding systems and controls of an insurer’s Board in ensuring appropriate, timely and effective communications with the supervisor on the governance of the insurer?
   1. Yes, YOUR AUTHORITY has taken appropriate action.
   2. No.
   3. This question is not applicable, because no such concerns arose during the last three years.
4. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding systems and controls of an insurer’s Board in ensuring appropriate, timely and effective communications with the supervisor on the governance of the insurer?
   1. All concerns were resolved.
   2. Most concerns were resolved.
   3. Some concerns were resolved.
   4. Most concerns were not resolved.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
   6. This question is not applicable, because no such concerns arose during the last three years.

**7.10 The supervisor requires the insurer to ensure that Senior Management: carries out the day-to-day operations of the insurer effectively and in accordance with the insurer’s corporate culture, business objectives and strategies for achieving those objectives in line with the Insurer's long term interests and viability; promotes sound risk management, compliance and fair treatment of customers; provides the Board adequate and timely information to enable the Board to carry out its duties and functions including the monitoring and review of the performance and risk exposures of the insurer, and the performance of Senior Management; and maintains adequate and orderly records of the internal organisation.**

1. How are the requirements that an insurer will ensure that Senior Management implemented in YOUR JURISDICTION?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Required under legislation | 2. Required under legislation and further elaborated through published supervisory guidelines | 3. Not required under legislation, but communicated through published supervisory guidelines | 4. Not required under legislation or published supervisory guidelines, but insurers are advised when supervisory expectations are not being met | 5. There is no such requirement or expectation |
| a. Senior Management carries out the day-to-day operations of the insurer effectively and in accordance with the insurer’s corporate culture, business objectives and strategies for achieving those objectives in line with the Insurer's long term interests and viability |  |  |  |  |  |
| b. Senior Management promotes sound risk management, compliance and fair treatment of customers |  |  |  |  |  |
| c. Senior Management provides the Board adequate and timely information to enable the Board to carry out its duties and functions including the monitoring and review of the performance and risk exposures of the insurer, and the performance of Senior Management |  |  |  |  |  |
| d. Senior Management maintains adequate and orderly records of the internal organisation |  |  |  |  |  |

1. How does YOUR AUTHORITY assess the performance of Senior Management?
   1. Performance is regularly assessed across all insurers.
   2. Performance is occasionally assessed across all insurers even when there are no supervisory concerns.
   3. Performance is assessed only in cases of actual or potential supervisory concerns.
   4. Performance is seldom assessed, even in cases of actual supervisory concerns.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
2. During the last three years, has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the performance of an insurer’s Senior Management?
   1. Yes, YOUR AUTHORITY has taken appropriate action.
   2. No.
   3. This question is not applicable, because no such concerns arose during the last three years.
3. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the performance of an insurer’s Senior Management?
   1. All concerns were resolved.
   2. Most concerns were resolved.
   3. Some concerns were resolved.
   4. Most concerns were not resolved.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
   6. This question is not applicable, because no such concerns arose during the last three years.

**7.11 The supervisor requires the insurer to demonstrate the adequacy and effectiveness of its corporate governance framework.**

1. How is the requirement that an insurer demonstrates the adequacy and effectiveness of its corporate governance framework implemented in YOUR JURISDICTION?
   1. This is required under legislation.
   2. This is required under legislation and is further elaborated through published supervisory guidelines.
   3. This is not required under legislation, but the expectation is communicated through published supervisory guidelines.
   4. This is not required under legislation or published supervisory guidelines, but YOUR AUTHORITY advises insurers when its expectation is not being met.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
2. How does YOUR AUTHORITY assess the adequacy and effectiveness of an insurer’s corporate governance framework?
   1. Adequacy and effectiveness are regularly assessed across all insurers.
   2. Adequacy and effectiveness are occasionally assessed across all insurers even when there are no supervisory concerns.
   3. Adequacy and effectiveness are assessed only in cases of actual or potential supervisory concerns.
   4. Adequacy and effectiveness are seldom assessed, even in cases of actual supervisory concerns.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
3. During the last three years, has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the adequacy and effectiveness of an insurer’s corporate governance framework?
   1. Yes, YOUR AUTHORITY has taken appropriate action.
   2. No.
   3. This question is not applicable, because no such concerns arose during the last three years.
4. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action to resolve supervisory concerns regarding the adequacy and effectiveness of an insurer’s corporate governance framework?
   1. All concerns were resolved.
   2. Most concerns were resolved.
   3. Some concerns were resolved.
   4. Most concerns were not resolved.
   5. There is no such requirement or expectation in YOUR JURISDICTION.
   6. This question is not applicable, because no such concerns arose during the last three years.

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