# ICP Questionnaire – ICP 4 Licensing

This ICP questionnaire is based on ICP 4 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

**4 A legal entity which intends to engage in insurance activities must be licensed before it can operate within a jurisdiction. The requirements and procedures for licensing must be clear, objective and public, and be consistently applied.**

**4.1 The insurance legislation: includes a definition of insurance activities which are subject to licensing; prohibits unauthorised insurance activities; defines the permissible legal forms of domestic insurance legal entities; allocates the responsibility for issuing licences; and sets out the procedure and form of establishment by which foreign insurers are allowed to conduct insurance activities within the jurisdiction.**

1. How are regulated insurance activities[[1]](#footnote-1) which are subject to licensing defined in YOUR JURISDICTION?
   1. Insurance activities are defined in legislation.
   2. Insurance activities are defined through a combination of legislation and published supervisory guidelines.
   3. Insurance activities are not defined in legislation, but rather through published supervisory guidelines.
   4. The definition of insurance activities which are subject to licensing is at the discretion of YOUR AUTHORITY on a case by case basis.
   5. Insurance activities are not defined.
2. Does the legislation in YOUR JURISDICTION prohibit unauthorised insurance activities?
   1. Unauthorised insurance activities are prohibited and subject to legal sanctions.
   2. Unauthorised insurance activities are prohibited, but not subject to legal sanctions.
   3. Unauthorised insurance activities are not prohibited by legislation, and legislation does not provide sufficient authority to take action against those conducting unauthorized insurance activities.
3. How are the permissible legal forms of domestic insurance legal entities defined in YOUR JURISDICTION?
   1. The permissible legal forms of domestic insurance legal entities are defined in legislation.
   2. The permissible legal forms of domestic insurance legal entities are defined through a combination of legislation and published supervisory guidelines.
   3. The definition of permissible legal forms of domestic insurance legal entities is at the discretion of YOUR AUTHORITY.
   4. The permissible legal forms of domestic insurance legal entities are not defined.
4. How is the responsibility for issuing licences allocated in YOUR JURISDICTION?
   1. The responsibility for issuing licences is allocated in legislation.
   2. The responsibility for issuing licences is set out partly in legislation and partly in supervisory guidelines or agreements.
   3. The responsibility for issuing licences is not entirely documented, but is clearly understood by the authorities.
   4. The responsibility for issuing licences is not documented.
5. Where are the procedure and form of establishment by which foreign insurers are allowed to conduct insurance activities within YOUR JURISDICTION set out?
   1. Both the procedures and forms of establishment are set out in legislation.
   2. The procedures and the forms of establishment are set out partly in legislation and partly in supervisory guidelines or agreements.
   3. Neither the procedures nor the forms of establishment are set out in legislation, but both are set out in supervisory guidelines or agreements.
   4. Neither the procedures nor the forms of establishment are set out in legislation, supervisory guidelines or agreements.

**4.2 A jurisdiction controls through licensing which entities are allowed to conduct insurance activities within its jurisdiction.**

1. Does YOUR JURISDICTION control through licensing which entities are allowed to conduct insurance activities within the jurisdiction?
   1. Yes, all insurance activities, except those exempted under legislation, must be conducted by entities that are either licensed in YOUR JURISDICTION or, subject to legislation or bilateral or multilateral written agreement, licensed in another jurisdiction.
   2. No.

**4.3 Licensing requirements and procedures are clear, objective and public, and are consistently applied. At a minimum, the applicant is required to: have sound business and financial plans; have a corporate or group structure that does not hinder effective supervision; establish that the applicant's Board Members, both individually and collectively, Senior Management, Key Persons in Control Functions and Significant Owners are suitable; have an appropriate governance framework; and satisfy capital requirements.**

1. How are licensing requirements and procedures communicated?
   1. All such licensing requirements are publicly available.
   2. Most such licensing requirements are publicly available, with additional requirements communicated to those who express an interest in applying for a licence.
   3. Some licensing requirements are public, but all requirements are communicated only to those who express an interest in applying for a licence.
   4. Licensing requirements are not public, and communicated only to those who express an interest in applying for a licence.
2. To what extent does YOUR AUTHORITY consider the following issues when assessing licensing applications?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Always considered in assessing applications | 2. Usually considered in assessing applications | 3. Sometimes considered in assessing applications | 4. Never considered in assessing applications |
| a. Sound business and financial plans |  |  |  |  |
| b. Corporate or group structure that does not hinder supervision |  |  |  |  |
| c. Individual suitability of Board Members |  |  |  |  |
| d. Collective suitability of Board Members |  |  |  |  |
| e. Suitability of Senior Management |  |  |  |  |
| f. Suitability of Key Persons in Control Functions |  |  |  |  |
| g. Suitability of Significant Owners |  |  |  |  |
| h. Appropriate governance framework |  |  |  |  |
| i. Satisfy capital requirements |  |  |  |  |

**4.4 The supervisor assesses applications, makes decisions and informs applicants of the decision within a reasonable time, which is clearly specified, and without undue delay.**

1. In what manner is the time period within which a licensing decision is made and communicated to an applicant specified in YOUR JURISDICTION? In answering this question, assume that the applicant has provided all necessary information.
   1. The time period is clearly specified and publicly available.
   2. The specified time period typically required is communicated only to applicants at the time of application.
   3. The time period typically required is not communicated, but applicants are usually informed of the possible timing of a decision on a case-by-case basis.
   4. There is not usually any information communicated to applicants regarding the possible timing of a decision.
2. During the last three years, how long did it generally take, once a licence applicant had provided all necessary information, for YOUR AUTHORITY to assess the application, make a licensing decision, and inform the applicant of your decision?
   1. Three months or less.
   2. Between three months and six months.
   3. Between six months and one year.
   4. More than one year.
   5. This question is not applicable, because there have been no licence applications during the last three years.

**4.5 The supervisor refuses to issue a licence where the applicant does not meet the licensing requirements. Where the supervisor issues a licence, it imposes additional requirements, conditions or restrictions on an applicant where appropriate. If the licence is denied, conditional or restricted, the applicant is provided with an explanation.**

1. Does YOUR AUTHORITY have the power to impose additional requirements, conditions, or restrictions on an applicant where appropriate?
   1. Yes, such power is provided by legislation.
   2. Yes. Although such power is not provided by legislation, YOUR AUTHORITY can take such action by exercising other supervisory powers.
   3. No.
2. During the last three years, what actions did YOUR AUTHORITY take in cases where applicants did not meet the licensing requirements?
   1. In all such cases, YOUR AUTHORITY either refused to issue a licence or imposed additional requirements, conditions, or restrictions on the applicant.
   2. In most cases, YOUR AUTHORITY either refused to issue a licence or imposed additional requirements, conditions, or restrictions on the applicant.
   3. In most cases, YOUR AUTHORITY issued a licence without imposing additional requirements, conditions, or restrictions on the applicant.
   4. In all such cases, YOUR AUTHORITY issued a licence without imposing additional requirements, conditions, or restrictions on the applicant.
   5. This question is not applicable, because all applicants during the last three years have met the licensing requirements.
   6. This question is not applicable, because there have been no licence applications during the last three years.
3. During the last three years, what information was provided by YOUR AUTHORITY in cases where licences were denied or issued subject to conditions or restrictions?
   1. In all such cases, the applicant was informed of the decision and provided with an explanation.
   2. In all such cases, the applicant was informed of the decision and in some, but not all, cases the applicant was provided with an explanation.
   3. In all such cases, the applicant was informed of the decision but was not provided with an explanation.
   4. In one or more such cases, the applicant was not informed of the decision.
   5. This question is not applicable, because all applications during the last three years have been approved without conditions or restrictions.
   6. This question is not applicable, because there have been no licence applications during the last three years.

**4.6 A licence clearly states its scope.**

1. To what extent does a licence issued by YOUR AUTHORITY state its scope?
   1. A licence provides sufficient information to identify the types[[2]](#footnote-2) and classes[[3]](#footnote-3) of insurance business.
   2. A licence states the type of an insurer, but such information is not sufficient to identify the classes of insurance business that may be underwritten. The classes of insurance business that may be underwritten are stated in a separate document.
   3. A licence states the type of an insurer. The classes of insurance business that may be underwritten are not stated in the licence or a separate document.
   4. A licence states neither the type of an insurer nor the classes of insurance business that may be underwritten.

**4.7 The supervisor publishes a complete list of licensed legal entities and the scope of the licences granted.**

1. To what extent is a complete list of licensed legal entities available in YOUR JURISDICTION?
   1. YOUR AUTHORITY publishes a complete list of licensed legal entities and the scope of the licences granted, which is updated as changes occur.
   2. YOUR AUTHORITY publishes a list of licensed legal entities and the scope of the licences granted, which is not updated as changes occur, but is updated regularly.
   3. YOUR AUTHORITY does not publish a complete list of licensed legal entities and the scope of the licences granted, but an up-to-date list is readily available from another authority.
   4. YOUR AUTHORITY does not publish a complete list of licensed legal entities and the scope of the licences granted, but YOUR AUTHORITY responds to queries about whether an entity is licensed.
   5. A complete list of licensed legal entities and the scope of the licences granted is not available in YOUR JURISDICTION.

**4.8 In deciding whether and if so on what basis, to license or continue to license a branch or subsidiary of a foreign insurer in its jurisdiction, the supervisor consults the relevant supervisor(s) as necessary.**

1. During the last three years, in deciding whether and, if so, on what basis to license or continue to license a branch of a foreign insurer in YOUR JURISDICTION, to what extent has YOUR AUTHORITY consulted the relevant supervisor(s)?
   1. The relevant supervisor has always been consulted as necessary.
   2. In most cases, the relevant supervisor has been consulted as necessary.
   3. The relevant supervisor has sometimes been consulted as necessary.
   4. The relevant supervisor has never been consulted although it was necessary.
   5. There have been no such applicants during the last three years.
2. During the last three years, in deciding whether and, if so, on what basis to license or continue to license a subsidiary of a foreign insurer in YOUR JURISDICTION, to what extent has YOUR AUTHORITY consulted the relevant supervisor(s)?
   1. The home supervisor has always been consulted as necessary.
   2. In most cases, the home supervisor has been consulted as necessary.
   3. The home supervisor has sometimes been consulted as necessary.
   4. The home supervisor has never been consulted although it was necessary.
   5. There have been no such applicants during the last three years.

**4.9 Where an insurance legal entity is seeking to conduct cross border insurance activities without a physical presence in the jurisdiction of the host supervisor, the host supervisor concerned consults the home supervisor, as necessary, before allowing such actions.[[4]](#footnote-4)**

1. During the last three years, where a foreign insurance legal entity has sought to conduct cross-border insurance activities in YOUR JURISDICTION, without a physical presence, to what extent has YOUR AUTHORITY consulted the home supervisor before allowing such activities?
   1. The home supervisor has always been consulted as necessary.
   2. In most cases, the home supervisor has been consulted as necessary.
   3. The home supervisor has sometimes been consulted as necessary.
   4. The home supervisor has never been consulted although it was necessary.
   5. There have been no such applicants during the last three years.

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1. Reinsurance is included in the insurance activities. [↑](#footnote-ref-1)
2. For example, type of insurer might be life, nonlife, or health. [↑](#footnote-ref-2)
3. For example, class of insurance might be motor, liability, property, individual life, etc. [↑](#footnote-ref-3)
4. When answering this question, you may ignore situations in which a foreign insurer is allowed to conduct cross border insurance activities without approval from the host supervisor in accordance with bilateral or multilateral agreements. [↑](#footnote-ref-4)