# ICP Questionnaire – ICP 5 Suitability of Persons

This ICP questionnaire is based on ICP 5 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

**5 The supervisor requires Board Members, Senior Management, Key Persons in Control Functions and Significant Owners of an insurer to be and remain suitable to fulfil their respective roles.**

**5.1 Legislation identifies which persons are required to meet suitability requirements. At a minimum, the legislation includes Board Members, Senior Management, Key Persons in Control Functions and Significant Owners.**

1. How are the persons subject to suitability requirements identified in YOUR JURISDICTION? (More than one response from columns 1 through 3 may be entered on a line, where applicable.)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Legislation | 2. Published supervisory guidelines | 3. Supervisory discretion on a case by case basis | 4. Not subject to suitability requirements |
| 1. Board Members
 |  |  |  |  |
| 1. Senior Management
 |  |  |  |  |
| 1. Key Persons in Control Functions
 |  |  |  |  |
| 1. Significant Owners
 |  |  |  |  |

**5.2 The supervisor requires that in order to be suitable to fulfil their roles: Board Members (individually and collectively), Senior Management and Key Persons in Control Functions possess competence and integrity; and Significant Owners possess the necessary financial soundness and integrity.**

1. On what basis, are the suitability requirements implemented in YOUR JURISDICTION? (More than one response from columns 1 through 4 may be entered on a line, where applicable.)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1. Legislation | 2. Published supervisory guidelines | 3. Internal supervisory communication | 4. On a case-by-case basis | 5. Not implemented | 6. Not subject to suitability requirements |
| 1. Board Members individually
 |  |  |  |  |  |  |
| 1. Board Members collectively
 |  |  |  |  |  |  |
| 1. Senior Management
 |  |  |  |  |  |  |
| 1. Key Persons in Control Functions
 |  |  |  |  |  |  |
| 1. Significant Owners
 |  |  |  |  |  |  |

1. Which of the following factors are considered by YOUR AUTHORITY when assessing competence? (More than one response from columns 1 through 3 may be entered on a line, where applicable.)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Formal qualifications and knowledge | 2. Experience and skills | 3. Commitment | 4. Not subject to competence requirements |
| 1. Board Members individually
 |  |  |  |  |
| 1. Board Members collectively
 |  |  |  |  |
| 1. Senior Management
 |  |  |  |  |
| 1. Key Persons in Control Functions
 |  |  |  |  |

1. Which of the following factors are considered by YOUR AUTHORITY when assessing integrity? (More than one response from columns 1 through 4 may be entered on a line, where applicable.)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Legal indicators | 2. Financial indicators | 3. Supervisory indicators[[1]](#footnote-1) | 4. Other indicators | 5. Not subject to integrity requirements |
| 1. Board Members individually
 |  |  |  |  |  |
| 1. Senior Management individually
 |  |  |  |  |  |
| 1. Key Persons in Control Functions
 |  |  |  |  |  |
| 1. Significant Owners
 |  |  |  |  |  |

1. To what extent are Significant Owners required to have necessary financial soundness in YOUR JURISDICTION?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Required | 2. Not required, although this factor is typically considered by YOUR AUTHORITY when assessing suitability | 3. Not required, and this factor is not typically considered by YOUR AUTHORITY when assessing suitability | 4. Not applicable, because Significant Owners are not required to meet suitability requirements |
| 1. Financial soundness
 |  |  |  |  |
| 1. Source of future capital
 |  |  |  |  |

**5.3 The supervisor requires the insurer to demonstrate initially and on an ongoing basis, the suitability of Board Members, Senior Management, Key Persons in Control Functions and Significant Owners. The suitability requirements and the extent of review required by the supervisor depend on the person’s role.**

1. When is an insurer required to demonstrate the suitability of persons to YOUR AUTHORITY? (More than one response from columns 1 through 4 may be entered on a line, where applicable.)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1. Initial licensing of the insurer | 2. Entry to the role | 3. Periodically | 4. As requested | 5. Not required to demonstrate suitability | 6. Not subject to suitability requirements |
| 1. Board Members
 |  |  |  |  |  |  |
| 1. Senior Management
 |  |  |  |  |  |  |
| 1. Key Persons in Control Functions
 |  |  |  |  |  |  |
| 1. Significant Owners
 |  |  |  |  |  |  |

**5.4 The supervisor requires notification by insurers of any changes in Board Members, Senior Management, Key Persons in Control Functions and Significant Owners, and of any circumstances that may materially adversely affect the suitability of its Board Members, Senior Management, Key Persons in Control Functions and Significant Owners.**

1. When is an insurer required to notify YOUR AUTHORITY of changes in key persons? (More than one response from columns 1 through 4 may be entered on a line, where applicable.)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1. In advance of change, where possible | 2. Within one month or less of change | 3. Through periodic reporting, more frequently than annually | 4. Through annual reporting | 5. Notification is not required | 6. Not subject to suitability requirements |
| 1. Board Members
 |  |  |  |  |  |  |
| 1. Senior Management
 |  |  |  |  |  |  |
| 1. Key Persons in Control Functions
 |  |  |  |  |  |  |
| 1. Significant Owners
 |  |  |  |  |  |  |

1. When is an insurer FIRST required to notify YOUR AUTHORITY of any circumstances that may materially adversely affect the suitability of key persons?

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1. In advance, where possible | 2. Within one month or less | 3. Through periodic reporting, more frequently than annually | 4. Through annual reporting | 5. Notification is not required | 6. Not subject to suitability requirements |
| 1. Board Members
 |  |  |  |  |  |  |
| 1. Senior Management
 |  |  |  |  |  |  |
| 1. Key Persons in Control Functions
 |  |  |  |  |  |  |
| 1. Significant Owners
 |  |  |  |  |  |  |

**5.5 The supervisor takes appropriate action to rectify the situation when Board Members, Senior Management and Key Persons in Control Functions or Significant Owners no longer meet suitability requirements.**

1. On what basis can YOUR AUTHORITY take action to rectify the situation when key persons no longer meet suitability requirements?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. Power to rectify suitability concerns is provided for by legislation | 2. Power to rectify suitability concerns is not provided for by legislation, but action can be taken using other supervisory powers | 3. Power to rectify some suitability concerns is provided for by legislation, but other suitability concerns must be resolved through supervisory pressure or moral suasion | 4. No legal basis for action, but supervisory pressure or moral suasion is usually effective | 5. No legal basis for action, and supervisory pressure or moral suasion is not usually effective |
| 1. Board Members
 |  |  |  |  |  |
| 1. Senior Management
 |  |  |  |  |  |
| 1. Other Key Persons in Control Functions
 |  |  |  |  |  |
| 1. Significant Owners
 |  |  |  |  |  |

1. During the last three years, has YOUR AUTHOTITY taken action to rectify the situation when key persons no longer met suitability requirements?
	1. Yes, YOUR AUTHORITY has taken action.
	2. No.
	3. This question is not applicable, because no such concerns arose during the last three years.
2. During the last three years, to what extent has YOUR AUTHORITY taken appropriate action to rectify the situation when key persons no longer met suitability requirements?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. All concerns were rectified | 2. Most concerns were rectified | 3. Some concerns were rectified | 4. Most concerns were not rectified | 5. This question is not applicable, because no such concerns arose during the last three years |
| 1. Board Members
 |  |  |  |  |  |
| 1. Senior Management
 |  |  |  |  |  |
| 1. Key Persons in Control Functions
 |  |  |  |  |  |
| 1. Significant Owners
 |  |  |  |  |  |

**5.6 The supervisor exchanges information with other authorities inside and outside its jurisdiction where necessary to check the suitability of Board Members, Senior Management, Key Persons in Control Functions and Significant Owners of an insurer.**

1. During the last three years, to what extent has YOUR AUTHORITY exchanged information with other authorities inside YOUR JURISDICTION to check the suitability of key persons?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. In all cases where another authority could be considered likely to have relevant information | 2. In most cases, where another authority could be considered likely to have relevant information | 3. In some cases, where another authority could be considered likely to have relevant information | 4. Never, even where another authority could be considered likely to have relevant information | 5. Never, because no cases arose during the last three years where another authority could be considered likely to have relevant information |
| 1. Board Members
 |  |  |  |  |  |
| 1. Senior Management
 |  |  |  |  |  |
| 1. Key Persons in Control Functions
 |  |  |  |  |  |
| 1. Significant Owners
 |  |  |  |  |  |

1. During the last three years, to what extent has YOUR AUTHORITY exchanged information with other authorities outside YOUR JURISDICTION to check the suitability of key persons?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. In all cases where another authority could be considered likely to have relevant information | 2. In most cases, where another authority could be considered likely to have relevant information | 3. In some cases, where another authority could be considered likely to have relevant information | 4. Never, even where another authority could be considered likely to have relevant information | 5. Never, because no cases arose during the last three years where another authority could be considered likely to have relevant information |
| 1. Board Members
 |  |  |  |  |  |
| 1. Senior Management
 |  |  |  |  |  |
| 1. Key Persons in Control Functions
 |  |  |  |  |  |
| 1. Significant Owners
 |  |  |  |  |  |

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1. Supervisory indicators include information gathered by or that comes to the attention of supervisors in the performance of their supervisory duties, such as the withholding of information from public authorities or market conduct transgressions. [↑](#footnote-ref-1)