# **ICP Questionnaire – ICP 18 Intermediaries**

This ICP questionnaire is based on ICP 18 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**

**18 The supervisor sets and enforces requirements for the conduct of insurance intermediaries, in order that they conduct business in a professional and transparent manner.**

**18.1 The supervisor requires insurance intermediaries operating in its jurisdiction to be licensed.**

1. Does YOUR JURISDICTION have legislation in place to require licensing of [intermediaries](http://www.iaisweb.org/Supervisory-Material/Glossary-47)?

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1. Yes, legislation requires licensing at the individual level, or at both individual and entity levels | 2. Yes but exemptions for certain types and classes[[1]](#footnote-1) of insurance | 3. No |
| A. Brokers |  |  |  |
| B. Agents |  |  |  |
| C. Direct employees |  |  |  |

1. Does the legislation in YOUR JURISDICTION prohibit unauthorised [insurance intermediation](http://www.iaisweb.org/index.cfm?pageID=47&vSearchLetter=i) (e.g. activities beyond the scope of licences or specifically exempted)?
2. Unauthorised intermediary activities are explicitly prohibited and subject to significant legal sanctions.
3. Unauthorised intermediary activities are explicitly prohibited, although the legal sanctions for carrying on such activities are either unspecified or insignificant.
4. Unauthorised intermediary activities are not explicitly prohibited, but legislation nevertheless provides authority to take action against those conducting unauthorised intermediary activities.
5. Legislation does not provide authority to take action against those conducting unauthorised intermediary activities.
6. Where a license is required, to what extent does YOUR JURISDICTION consider the following issues when assessing intermediary license applications?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Always considered | 2. Usually considered | 3. Sometimes considered | 4. Seldom or not considered |
| A. Professional knowledge |  |  |  |  |
| B. Experience |  |  |  |  |
| C. Integrity |  |  |  |  |
| D. Competence |  |  |  |  |

1. Where a license is required, to what extent does YOUR JURISDICTION consider the following issues when assessing intermediary license applications?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Always considered | 2. Usually considered | 3. Sometimes considered | 4. Seldom or not considered |
| A. Aspects of proposed business (eg, business plan, ownership) |  |  |  |  |
| B. Sufficient safeguards to protect policyholder funds |  |  |  |  |

1. Does YOUR JURISDICTION require foreign intermediaries to be licensed?
2. Yes and the licensing requirements and process for foreign intermediaries are the same as for all other intermediaries. [[2]](#footnote-2)
3. Yes and no additional license is required.
4. Yes and where licensing requirements are not regarded as equivalent, YOUR JURISDICTION ensures that they fulfil additional conditions needed for equivalence.
5. No, foreign intermediaries may not operate in YOUR JURISDICTION.
6. No

**18.2 The supervisor ensures that insurance intermediaries licensed in its jurisdiction are subject to ongoing supervisory review.**

1. How does YOUR AUTHORITY ensure that licensed intermediaries are subject to ongoing supervisory review? Please indicate on the table below whether the following elements are reviewed and how this review is conducted (More than one option in each row can be selected).

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 1. Reviewed with on-site inspections | 2. Reviewed with qualitative reporting | 3. Reviewed with quantitative/ data reporting | 4. Reviewed with ad hoc  reviews (incl. “on the ground” testing) | 5. Reviewed when there is a complaint/ concern | 6. Reviewed indirectly through the insurers | 7. Reviewed by a Self-Regulated Organization (SRO) | 8. Not reviewed |
| A. Ongoing compliance with licensing conditions and regulatory requirements |  |  |  |  |  |  |  |  |
| B. Complaints |  |  |  |  |  |  |  |  |
| C. Financial and/or audit statements |  |  |  |  |  |  |  |  |
| D. Sources and placement of business |  |  |  |  |  |  |  |  |
| E. Client money accounts |  |  |  |  |  |  |  |  |
| F. Changes in key functions/owners |  |  |  |  |  |  |  |  |

**18.3 The supervisor requires insurance intermediaries to maintain appropriate levels of professional knowledge and experience, integrity and competence.**

1. To what extent does YOUR JURISDICTION require intermediaries to possess appropriate levels of professional knowledge, experience and competence?
2. Legislation requires intermediaries to pass an examination or otherwise demonstrate appropriate professional qualifications and experience and to update those as appropriate.
3. Legislation requires intermediaries to pass an examination or otherwise demonstrate appropriate professional qualifications and experience, but does not include requirements to update skills.
4. Legislation does not prescribe specific requirements, but YOUR JURISDICTION publishes general requirements for intermediaries to demonstrate appropriate knowledge, experience and competence.
5. There are no requirements for knowledge, experience and competence.
6. To what extent does YOUR JURISDICTION consider the following factors in assessing the integrity of intermediaries during the licensing process?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Always considered | 2. Usually considered | 3. Sometimes considered | 4. Seldom or not considered |
| A. Criminal history |  |  |  |  |
| B.  Financial soundness |  |  |  |  |
| C. History of regulatory action against the intermediary by your authority or any other authority |  |  |  |  |
| D. Complaints against intermediary |  |  |  |  |

**18.4 The supervisor requires that insurance intermediaries apply appropriate governance.**

1. To what extent does YOUR JURISDICTION require intermediaries to apply appropriate[[3]](#footnote-3) corporate governance?
2. YOUR JURISDICTION has legislation which explicitly requires intermediaries to have a corporate governance policy or meet explicit corporate governance requirements, in accordance with the nature, scale and complexity of the business.
3. YOUR JURISDICTION has legislation which broadly requires intermediaries to apply appropriate corporate governance and is further elaborated through published supervisory guidelines.
4. YOUR JURISDICTION does not have corporate governance requirements specified in legislation; however it promotes good corporate governance policies through published supervisory guidance that sets forth supervisory expectations in respect to governance-related matters.
5. YOUR JURISDICTION does not have corporate governance requirements specified in legislation or published supervisory guidelines, but indirectly monitors and communicates intermediary corporate governance expectations through insurer oversight.
6. There is no such corporate governance policy requirement or expectation.
7. During the last three years, has YOUR AUTHORITY taken appropriate action to rectify the situation when there were supervisory concerns regarding the corporate governance of an intermediary?
   1. All or most concerns were resolved in a timely manner.
   2. All or most concerns were resolved, but not always in a timely manner.
   3. A majority, but not most, concerns were resolved.
   4. A majority of concerns were not resolved.
   5. This question is not applicable, because no such concerns arose during the last three years.

**18.5 The supervisor requires insurance intermediaries to disclose to customers, at a minimum:**

• **the terms and conditions of business between themselves and the customer;**

• **the relationship they have with the insurers with whom they deal; and**

• **information on the basis on which they are remunerated where a potential conflict of interest exists.**

1. To what extent does YOUR JURISDICTION require intermediaries to comply with the following disclosure requirements?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Always required | 2. Usually required | 3. Sometimes required | 4. Seldom or not required |
| A. Nature and timeliness of product disclosures to customers |  |  |  |  |
| B. Significant characteristics of product offered |  |  |  |  |
| C. Terms and conditions of business between themselves and the customer |  |  |  |  |
| D. Obligations owed to policyholders |  |  |  |  |
| E. Names and relationship with all insurers with whom they deal |  |  |  |  |
| F. Potential conflicts of interest |  |  |  |  |
| G. All ownership and capital interests (direct and indirect) in insurers they represent |  |  |  |  |
| H. Information on the basis of remuneration |  |  |  |  |

1. During the last three years, has YOUR AUTHORITY taken appropriate action to rectify a situation when there were supervisory concerns regarding intermediary meeting disclosure requirements?
   1. All or most concerns were resolved in a timely manner.
   2. All or most concerns were resolved, but not always in a timely manner.
   3. A majority, but not most, concerns were resolved.
   4. A majority of concerns were not resolved.
   5. This question is not applicable, because no such concerns arose during the last three years.

**18.6 The supervisor requires an insurance intermediary who handles client monies to have safeguards in place to protect these funds.**

1. To what extent does YOUR JURISDICTION require intermediaries to have sufficient safeguards in place to protect client funds?
2. Explicitly required in legislation.
3. Broadly required in legislation and further elaborated through published guidelines.
4. Not required in legislation, but expectation is communicated or broadly established through published supervisory guidelines.
5. Not required in legislation or published supervisory guidelines, but supervisors advise when expectations are not being met.
6. There is no such requirement or expectation.
7. During the last three years, has YOUR AUTHORITY taken appropriate action to rectify the situation when there were supervisory concerns regarding the safeguards of client funds by an intermediary?
8. All or most concerns were resolved in a timely manner.
9. All or most concerns were resolved, but not always in a timely manner.
10. A majority, but not most, concerns were resolved.
11. A majority of concerns were not resolved.
12. This question is not applicable, because no such concerns arose during the last three years.

**18.7 Where appropriate, the supervisor takes supervisory measures against licensed insurance intermediaries.**

1. How does YOUR AUTHORITY check that individuals or entities are not conducting intermediary activities in YOUR JURISDICTION without the necessary licence? (More than one option can be selected)
2. YOUR AUTHORITY has mechanisms such as internet surfing, media scanning, mystery shopping, and conversations with licensed intermediaries to proactively periodically check that individuals or entities are not conducting insurance activities without the necessary licence.
3. YOUR AUTHORITY checks whether individuals or entities may be conducting insurance activities without the necessary licence in response to external complaints.
4. YOUR AUTHORITY checks that individuals or entities are not conducting insurance activities without the necessary licence in response to internally-identified concerns or those of stakeholders.
5. YOUR AUTHORITY does not check whether individuals or entities are conducting insurance activities without the necessary licence.
6. During the last three years, has YOUR AUTHORITY taken action to deal with cases where an intermediary has conducted intermediary activity without a license?
7. YOUR AUTHORITY always took timely and appropriate action.
8. YOUR AUTHORITY usually took timely and appropriate action.
9. YOUR AUTHORITY sometimes took timely and appropriate action.
10. YOUR AUTHORITY seldom took timely and appropriate action.
11. This question is not applicable, because there have been no such cases during the last three years.

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1. For example, type of insurer could refer to life, nonlife, or health while class of insurance could refer to motor, liability, property, individual life, etc. [↑](#footnote-ref-1)
2. In EEA Member states, this is deemed to be the case. [↑](#footnote-ref-2)
3. Applied specifically to classes of insurance, specific risks of certain products (e.g, packaged retail products and insurance based investment products), company size, agent vs broker etc. [↑](#footnote-ref-3)