**ICP Questionnaire – ICP 10 Preventive Measures, Corrective Measures and Sanctions**

This ICP questionnaire is based on ICP 10 version 2019.

## 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**

**10 The supervisor: requires and enforces preventive and corrective measures; and imposes sanctions, which are timely, necessary to achieve the objectives of insurance supervision, and based on clear, objective, consistent, and publicly disclosed general criteria.**

**10.1 The supervisor acts against individuals or entities that conduct insurance activities without the necessary licence.**

1. On what **basis** does YOUR AUTHORITY act against individuals or entities that conduct insurance activities without the necessary licence?
	1. YOUR AUTHORITY has the power to take action in such circumstances.
	2. YOUR AUTHORITY has the power to take action in such circumstances, subject to the **cooperation** of law enforcement or prosecuting authorities.
	3. YOUR AUTHORITY does not have the power to take action in such circumstances, but concerns could be **referred** to law enforcement or prosecuting authorities, which do have the power to take action.
	4. Neither YOUR AUTHORITY nor other authorities in YOUR JURISDICTION have the power to take action in such circumstances.
2. How does YOUR AUTHORITY **check** that individuals or entities are not conducting insurance activities in YOUR JURISDICTION without the necessary licence?
	1. YOUR AUTHORITY regularly checks that individuals or entities are not conducting insurance activities without the necessary licence taking a proactive approach (for example, internet surfing, media scanning, mystery shopping, complaints, and contacts with licensed intermediaries).
	2. YOUR AUTHORITY checks that individuals or entities are not conducting insurance activities without the necessary licence taking a reactive approach (for example in response to its own concerns or those raised by stakeholders).
	3. YOUR AUTHORITY does not check that individuals or entities are not conducting insurance activities without the necessary licence, but another authority in YOUR JURISDICTION does so in response to its own concerns or those raised by YOUR AUTHORITY or other stakeholders.
	4. YOUR AUTHORITY does not check that individuals or entities are not conducting insurance activities without the necessary licence.
	5. Neither YOUR AUTHORITY nor another authority in YOUR JURISDICTION checks that individuals or entities are not conducting insurance activities without the necessary licence.
3. During the last three years, to what extent were **actions taken** by YOUR AUTHORITY and other authorities in YOUR JURISCITION, where relevant, sufficient to satisfy supervisory concerns in dealing with cases where individuals or entities were believed to be conducting insurance activities without the necessary licence?
	1. In all such cases, actions taken were satisfactory.
	2. In most, but not all, such cases, actions taken were satisfactory.
	3. In many such cases, actions taken were not satisfactory.
	4. In no such cases were satisfactory actions taken.
	5. This question is not applicable, because there have been no such cases during this period.

**10.2 The supervisor requires preventive measures if the insurer seems likely to operate in a manner that is inconsistent with regulatory requirements.**

1. On what basis does YOUR AUTHORITY require **preventive measures** if an insurer **seems likely** to operate in a manner that is inconsistent with regulatory requirements?
	1. **Legislation explicitly** provides the power to require preventive measures in such circumstances.
	2. Legislation does not explicitly provide the power to require preventive measures in such circumstances, but action can be taken using more **general powers provided for in legislation**.
	3. Legislation does not explicitly provide this power and action cannot be taken using more general powers provided for in legislation to require preventive measures in such circumstances, but **efforts** (such as established supervisory processes and procedures) of YOUR AUTHORITY to resolve concerns in such circumstances **usually satisfy supervisory concerns**.
	4. Legislation does not explicitly provide this power and action cannot be taken using more general powers provided for in legislation to require preventive measures in such circumstances, but **efforts** (such as established supervisory processes and procedures) of YOUR AUTHORITY to resolve concerns in such circumstances **sometimes satisfy supervisor concerns**.
	5. Legislation does not explicitly provide this power and action cannot be taken using more general powers provided for in legislation to require preventive measures in such circumstances, and **efforts** of YOUR AUTHORITY to resolve concerns in such circumstances **generally do not satisfy supervisory concerns**.
	6. YOUR AUTHORITY has no powers, specific or general, or other processes or efforts, which enable preventive measures to be required.
2. During the last three years, has YOUR AUTHORITY **required any preventive measures** where an insurer **seemed likely** to operate in a manner that is inconsistent with regulatory requirements?
	1. Always when such concerns arise.
	2. Usually when such concerns arise.
	3. Sometimes when such concerns arise.
	4. Never when such concerns arise.
	5. This question is not applicable, because there have been no such concerns during this period.

**10.3 The supervisor requires corrective measures if the insurer fails to operate in a manner that is consistent with regulatory requirements.**

1. On what basis does YOUR AUTHORITY require **corrective measures** if an insurer **fails** to operate in a manner that is consistent with regulatory requirements?
	1. **Legislation explicitly** provides the power to require corrective measures in such circumstances.
	2. Legislation does not explicitly provide the power to require corrective measures in such circumstances, but action can be taken using more **general powers provided for in legislation**.
	3. Legislation does not explicitly provide this power and action cannot be taken using more general powers provided for in legislation to require corrective measures in such circumstances, but **efforts** (such as established supervisory processes and procedures) of YOUR AUTHORITY to resolve concerns in such circumstances **usually satisfy supervisory concerns**.
	4. Legislation does not explicitly provide this power and action cannot be taken using more general powers provided for in legislation to require corrective measures in such circumstances, but **efforts** (such as established supervisory processes and procedures) of YOUR AUTHORITY to resolve concerns in such circumstances **sometimes satisfy supervisory concerns**.
	5. Legislation does not explicitly provide this power and action cannot be taken using more general powers provided for in legislation to require corrective measures in such circumstances, and **efforts** of YOUR AUTHORITY to resolve concerns in such circumstances **generally do not satisfy supervisor concerns**.
2. During the last three years, has YOUR AUTHORITY **required any corrective measures** where an insurer **failed** to operate in a manner consistent with regulatory requirements?
	1. Always when such concerns arise.
	2. Usually when such concerns arise.
	3. Sometimes when such concerns arise.
	4. Never when such concerns arise.
	5. This question is not applicable, because there have been no such concerns during this period.

**10.4 The supervisor: requires the insurer to take actions that address the supervisor’s identified concerns; periodically checks that the insurer is taking action; and assesses the effectiveness of the insurer’s actions.**

1. On what basis does YOUR AUTHORITY require an insurer **to take actions** that address YOUR AUTHORITY’s **identified concerns**?
	1. **Legislation explicitly** provides the power to require an insurer to take actions that address YOUR AUTHORITY’s identified concerns.
	2. Legislation does not explicitly provide the power to require an insurer to take actions that address YOUR AUTHORITY’s identified concerns, but action can be taken using more **general powers provided for in legislation**.
	3. Legislation does not explicitly provide this power and action cannot be taken using more general powers provided for in legislation to require an insurer to take actions that address YOUR AUTHORITY’s identified concerns, but **efforts** (such as established supervisory processes and procedures) of YOUR AUTHORITY to resolve concerns in such circumstances **usually satisfy supervisory concerns**.
	4. Legislation does not explicitly provide this power and action cannot be taken using more general powers provided for in legislation to require an insurer to take actions that address YOUR AUTHORITY’s identified concerns, but **efforts** (such as established supervisory processes and procedures) of YOUR AUTHORITY to resolve concerns in such circumstances **sometimes satisfy supervisory concerns**.
	5. Legislation does not explicitly provide this power and action cannot be taken using more general powers provided for in legislation to require an insurer to take actions that address YOUR AUTHORITY’s identified concerns, and **efforts** of YOUR AUTHORITY to resolve concerns in such circumstances **generally do not satisfy supervisory concerns**.
2. During the last three years, has YOUR AUTHORITY **required** an insurer **to take actions** that address YOUR AUTHORITY’s identified concerns?
	1. Always when such concerns arise.
	2. Usually when such concerns arise.
	3. Sometimes when such concerns arise.
	4. Never when such concerns arise.
	5. This question is not applicable, because there have been no such concerns during this period.
3. During the last three years, once actions to address YOUR AUTHORITY’s concerns have been required, to what extent has YOUR AUTHORITY **checked** to determine that the insurer was **taking the actions**?
	1. Checks were generally made on a periodic basis and as considered necessary.
	2. Checks were generally made as considered necessary.
	3. Checks were generally made as part of the next on-site inspection.
	4. Checks were generally not made.
	5. This question is not applicable, because there have been no cases where actions to address YOUR AUTHORITY’s concerns have been required.
4. During the last three years, once actions to address YOUR AUTHORITY’s concerns have been required, to what extent has YOUR AUTHORITY **assessed the effectiveness** of the insurer’s actions?
	1. Effectiveness was usually assessed whenever checks were made to ensure the insurer was taking the actions.
	2. Effectiveness was assessed as considered necessary, but not always, whenever checks were made to ensure the insurer was taking the actions.
	3. Effectiveness was generally not assessed.
	4. This question is not applicable, because there have been no cases where actions to address YOUR AUTHORITY’s concerns have been required.

**10.5 The supervisor escalates, including enforcing, preventive or corrective measures if its concerns are not addressed by the insurer’s actions.**

1. How does YOUR AUTHORITY ensure that there is **escalation**, including enforcement, in preventive or corrective measures if YOUR AUTHORITY’s **concerns are not addressed** by the insurer’s actions?
	1. Legislation includes provisions that ensure that there is escalation in such circumstances and these requirements are followed.
	2. Legislation does not require this, but guidance on escalation in such circumstances are in place, and are generally followed.
	3. Guidance on escalation in such circumstances is in place, however, reviews have shown that the guidance is not generally followed.
	4. Although there is no guidance on escalation in such circumstances, there are procedures for the review of the measures taken, which have shown that they generally include escalation.
	5. Although there is no guidance on escalation in such circumstances, there are procedures for the review of the measures taken. However, reviews have shown that the procedures are not generally followed.
	6. No specific steps have been taken to ensure that there is escalation in such circumstances.
2. During the last three years, to what extent did YOUR AUTHORITY, or another responsible body in YOUR JURISDICTION, take action to **enforce** preventive or corrective measures if YOUR AUTHORITY’S **concerns were not addressed** by the insurer’s actions?
	1. Action was always taken to enforce preventive or corrective measures in such circumstances.
	2. Action was usually taken to enforce preventive or corrective measures in such circumstances.
	3. Action was sometimes taken to enforce preventive or corrective measures in such circumstances.
	4. Action was seldom taken to enforce preventive or corrective measures in such circumstances.
	5. YOUR AUTHORITY does not have the power to require preventive or corrective measures.
	6. This question is not applicable, because there have been no cases where preventive or corrective measures were required and where YOUR AUTHORITY’s concerns were not addressed by the insurer’s actions.

**10.6 The supervisor imposes sanctions on insurers and individuals proportionate to the breach of regulatory requirements or other misconduct.**

1. To what extent does YOUR AUTHORITY impose **sanctions** on insurers and individuals for the breach of regulatory requirements or other misconduct?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Imposed for the most serious breaches of regulatory requirements or other misconduct | 2. Imposed for breaches of some regulatory requirements or other misconduct | 3. Imposed for breaches of few regulatory requirements or other misconduct | 4. Not imposed |
| a. Sanctions against insurers. |  |  |  |  |
| b. Sanctions against other entities, such as unlicensed insurers. |  |  |  |  |
| c. Sanctions against individuals. |  |  |  |  |

1. To what extent are the **sanctions** imposed by YOUR AUTHORITY **proportionate** to the identified breach of regulatory requirements or other misconduct?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1. All or most sanctions are proportionate | 2. Many sanctions are proportionate, but some are either too severe or too weak | 3. Some sanctions are proportionate, but many are either too severe or too weak | 4. All or most sanctions are either too severe or too weak | 5. There is no authority to propose sanctions |
| a. Sanctions against insurers. |  |  |  |  |  |
| b. Sanctions against other entities, such as unlicensed insurers. |  |  |  |  |  |
| c. Sanctions against individuals. |  |  |  |  |  |

1. During the last three years, to what extent have **sanctions** against insurers and individuals been **imposed** where breaches of regulatory requirements or other misconduct were identified?
	1. Sanctions were imposed in all cases on a proportionate basis.
	2. Sanctions were usually imposed on a proportionate basis.
	3. Sanctions were sometimes imposed.
	4. Sanctions were seldom imposed.
	5. YOUR AUTHORITY does not have the power to impose sanctions where breaches of regulatory requirements or other misconduct are identified.
	6. This question is not applicable, because there have been no such cases during this period.

*Material provided by the International Association of Insurance Supervisors (IAIS) is reproduced with the kind permission of the IAIS. © International Association of Insurance Supervisors. All rights reserved. Reproduction or translation of this material in unaltered form is authorized provided that: it is not used for private or commercial gain, the IAIS is cited as the source and the copyright holder and any translation into another language than English (the official language for IAIS documents) contains a prominent disclaimer that it is not an official IAIS translation.*