



**IAIS**

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INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

**REPORT FROM EXPERT TEAM CONDUCTING THE  
SELF-ASSESSMENT AND PEER REVIEW OF ICPs  
9, 10 AND 11**

October 2015

## About the IAIS

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organization of insurance supervisors and regulators from more than 200 jurisdictions in nearly 140 countries. The mission of the IAIS is to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to global financial stability.

Established in 1994, the IAIS is the international standard setting body responsible for developing principles, standards and other supporting material for the supervision of the insurance sector and assisting in their implementation. The IAIS also provides a forum for Members to share their experiences and understanding of insurance supervision and insurance markets.

The IAIS coordinates its work with other international financial policymakers and associations of supervisors or regulators, and assists in shaping financial systems globally. In particular, the IAIS is a member of the Financial Stability Board (FSB), member of the Standards Advisory Council of the International Accounting Standards Board (IASB) and partner in the Access to Insurance Initiative (A2ii). In recognition of its collective expertise, the IAIS also is routinely called upon by the G20 leaders and other international standard setting bodies for input on insurance issues as well as on issues related to the regulation and supervision of the global financial sector.

This paper was prepared by the Expert Team Conducting the Self-Assessment and Peer Review of ICPs 9, 10 and 11 in consultation with the Implementation Committee and Technical Committee.

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## Foreword

1. The mission of the International Association of Insurance Supervisors (IAIS) is to:
  - Promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders; and to
  - Contribute to global financial stability
2. In support of its mission, the IAIS pursues several strategic objectives, one of which is implementation of the IAIS Insurance Core Principles (ICPs) by its Members.
3. The IAIS strongly encourages implementation of the framework for effective supervision described by the ICPs. Assessments can facilitate implementation by identifying the extent and nature of any weaknesses in a jurisdiction's supervisory framework – especially those aspects that could affect policyholder protection and insurance sector stability – as well as recommending possible remedies.
4. Determining the level of observance of the ICPs and, as a result identifying weaknesses in the supervisory system, is the critical first step for implementation. To assist its Members with determining levels of implementation of the ICPs, the IAIS has undertaken a programme of thematic assessments.
5. The Self-Assessment and Peer Review (SAPR) programme assesses levels of observance taking into account regulatory frameworks and supervisory practices and contributes to strengthening the observance and understanding of the ICPs. Supervisors who participate in the SAPR process receive a confidential individual jurisdiction report that provides a comprehensive overview of observance of the ICPs. The individual jurisdiction report can assist in development of an action plan, either independently or with partners, to address weaknesses within the supervisory system. The SAPR is also designed to assist with the self-assessment component of assessments conducted by the World Bank or International Monetary Fund. The IAIS By-Laws encourage Members to participate in the SAPR process.
6. The first of the new ICPs subjected to the SAPR process were ICPs 1 (Mandate) and 2 (Supervisory Powers) and ICP 23 (Group-wide Supervision), the results of which were released in 2013. The next SAPR completed was on the thematic topic of Corporate and Risk Governance and covered the following ICPs: 4 (Licensing), 5 (Suitability of Persons), 7 (Corporate Governance) and 8 (Risk Management and Internal Controls).
7. This SAPR covered the thematic topic of **Supervisory Measures**. ICPs included as part of this SAPR are:
  - ICP 9 (Supervisory Review and Reporting)

- ICP 10 (Preventative and Corrective Measures)
  - ICP 11 (Enforcement).
8. In addition to providing a valuable tool for supervisory authorities who are looking to enhance observance of the ICPs, the SAPR process also:
- Provides valuable information to the IAIS as part of a feedback loop on standard-setting activities. Specifically, the SAPR has provided valuable input on areas where standards could be rationalised or clarified, or where the objectives may not be clear.
  - Provides input to implementation partners on areas where there are global or regional challenges for implementation of the ICPs.
9. The Expert Team conducting this SAPR consisted of Ekrem Sarper (USA, NAIC), Craig Thorburn (World Bank), Clive Tan (Singapore) and Dorothee Kohleick (Germany). The team's work was supported by Michael Hafeman as an External Specialist and Conor Donaldson and Carole Lin from the IAIS Secretariat.
10. The Expert Team would like to acknowledge the support, received throughout 2014 and 2015, from the Implementation Committee (IC) and its Chair, Jonathan Dixon (South Africa), and the Technical Committee (TC) and its Chair, Michael McRaith (USA, FIO).

## Assessment Methodology and SAPR Process

### *Methodology*

11. The ICPs provide the globally accepted framework for the supervision of the insurance sector. Supervisory systems within jurisdictions are assessed against the ICPs. The framework described by the ICPs is general. Supervisors have flexibility in determining specific methods for implementation tailored to their domestic context (e.g. legal and market structure).
12. The Assessment Methodology<sup>1</sup> sets out the factors that should be considered when using or implementing the ICPs and describes how observance should be evaluated. To determine observance of the ICPs, it is necessary to assess each of its standards:

In general, an ICP will be considered **observed** whenever all the standards are considered to be observed or when all the standards are observed except for a number that are considered not applicable. An ICP will be considered to be **not applicable** when the standards are considered to be not applicable. For an ICP to be considered **largely observed**, it is necessary that only minor shortcomings

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<sup>1</sup> <http://iaisweb.org/index.cfm?event=getPage&nodeId=25227>

exist which do not raise any concerns about the supervisor's ability to achieve full observance with the ICP. An ICP will be considered **partly observed** whenever, despite progress, the shortcomings are sufficient to raise doubts about the supervisor's ability to achieve observance. An ICP will be considered **not observed** whenever no substantive progress toward observance has been achieved.

13. Assessment of the standards is done using the same five categories: observed, largely observed, partly observed, not observed and not applicable:

For a standard to be considered observed it is usually necessary that the supervisor has the legal authority to perform its tasks and that it exercises this authority to a satisfactory level. Where the supervisor sets requirements it should also ensure that these requirements are implemented. Having the necessary resources is essential for the supervisor to effectively implement the requirements. Authority provided in the legislation is insufficient for full observance to be recorded against a standard except where the standard is specifically limited in this respect. In the event that the supervisor has a history of using a practice for which it has no explicit legal authority, the assessment may be considered as observed if the practice is clearly substantiated as common and generally accepted.

14. To observe a standard, a supervisor must generally have the legal authority to perform the tasks required under the standard and these tasks to a satisfactory level. Where the supervisor sets requirements, it should also ensure that these requirements are implemented through supervisory review.
15. The SAPR process assesses each standard in line with the Assessment Methodology through asking a series of objective questions that are directly linked to each Standard. Supervisors are requested to select the most appropriate response from a range of options. Where the options do not reflect practice within their jurisdiction, supervisors are encouraged to provide a written elaboration in a dedicated comment box. Based on a review of the responses, the Expert Team reaches a determination of the observance level.
16. It is important to highlight that IAIS Members provide only responses to the questionnaires – Members do not provide their own ratings (i.e. conduct their own self-assessments). The Expert Team peer reviews the responses and assigns the ratings, to ensure the consistency and independence of the process.

### *SAPR Process*

17. The SAPR process consists of multiple steps. First, a detailed, web-enabled, assessment questionnaire is developed by an External Specialist with extensive experience in conducting similar exercises.
18. An Expert Team, which includes senior supervisors from IAIS Members as well as experienced World Bank (WB) and/or International Monetary Fund (IMF) participants, then refines and tests the questionnaire. The revised questionnaire is circulated to relevant IAIS Subcommittees for comment.
19. Once the Expert Team has approved the final questionnaire it is sent to all IAIS Members via an on-line survey tool through which they can submit responses. Responses are initially assessed against quantitative rating criteria before the results are subject to peer-review by the Expert Team. Based on this initial assessment and peer review, the Secretariat prepares draft individual jurisdiction reports for each participating Member.
20. Draft individual jurisdiction reports are sent to Members, who are given the opportunity to submit responses for inclusion in the report and make corrections to factual misinterpretations. The Expert Team reviews any comments or corrections provided by the insurance supervisory authority before issuing a final individual report to the respective authority. The entire process takes approximately one year.

# 1. Executive Summary

21. This report contains the aggregate findings of the self-assessments as well as the Expert Team's recommendations and suggestions on steps that the IAIS and its Members could take to enhance observance and understanding of the assessed ICPs.
22. The objectives for the thematic SAPR on ICPs 9, 10, and 11 were to:
- identify observance of the standards relating to the assessed theme
  - assess the effectiveness of implementation of the standards in a consistent and coherent manner by independent peers<sup>2</sup>
  - identify findings that should be communicated to the Executive Committee (EC), the IC and the TC that can support the work of the IAIS in developing strong standards and securing their effective implementation into supervisory practices
  - complement the FSAP process of the IMF and the WB and Financial Stability Board (FSB) peer reviews
  - identify and analyse regional and global implementation.
23. A total of 68 authorities, or 42% of IAIS Members, participated in the SAPR. The participation rate was highest among supervisors from Member jurisdictions of the FSB.<sup>3</sup> Every IAIS region<sup>4</sup> was represented.
24. The assessment questionnaire consisted of 60 questions covering 25 standards. For ICP 9, only one jurisdiction is fully observed. For ICP 10 and ICP 11, results are similar with only 5 and 3 Members observed, respectively.
25. The ICPs and standards included in this assessment deal with the day-to-day business of supervision. The Expert Team believes that the limited number of observed supervisory authorities reflects a challenging environment for implementation. Moreover, the Expert Team recognises that many jurisdictions are still developing risk-based supervisory frameworks. An additional challenge existed for Western Europe, where implementation of Solvency II remains a work in progress. Over time, as more jurisdictions move towards a risk based regime and Solvency II implementation advances, observance levels could improve.
26. Some of the most common challenges to observance include:

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<sup>2</sup> The SAPR process is a desktop exercise. The Expert Team accepts the Members' responses in good faith.

<sup>3</sup> When calculating participation by membership category, NAIC participants are counted as one jurisdiction (USA).

<sup>4</sup> The IAIS regions include: the Americas; Asia-Oceania; Central, Eastern Europe and Transcaucasia; Middle East and North Africa; Offshore and Caribbean Islands; Sub-Saharan Africa; and Western Europe.



- Legislative frameworks do not provide the powers needed to meet the requirements of the standards or do not provide the supervisory flexibility to ensure appropriate actions are taken to achieve the objectives identified in the standards.
- Expectations are only set out in supervisory guidelines (which do not have the force of law), resulting in less effective enforcement and corrective actions.
- Directors and senior management are made aware of supervisory concerns only when the supervisor considers appropriate actions have not been taken.
- Supervisory frameworks do not include a comprehensive supervisory plan, and do not consider the nature, scale, and complexity of the insurers being supervised.
- Supervisory concerns are not resolved in a timely fashion, or to the satisfaction of the supervisor.
- Institutional arrangements in some jurisdictions may impede the ability of some supervisory authorities to achieve their objectives under ICP 10 and ICP 11.

27. Tables 1.1 and 1.2 show the detailed summary results. The final column shows an index, which is designed to assist in comparing the relative levels of observance of the various ICPs, categories of jurisdictions and (in subsequent sections) the individual standards. The value of the index varies from 1 (if all jurisdictions are assessed as not observed) to 10 (if all jurisdictions are assessed as observed<sup>5</sup>).

**Table 1.1 ICPs 9, 10, 11 Results by Nature of Jurisdiction**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>ICP 9</b>							
• <b>FSB jurisdictions</b>	1	19	2	0	0	22	6.9
• <b>Other OECD jurisdictions</b>	0	7	0	0	0	7	7.0
• <b>Other jurisdictions</b>	0	34	5	0	0	39	6.6
• <b>Total participating authorities</b>	1	60	7	0	0	68	6.7
<b>ICP 10</b>							
• <b>FSB jurisdictions</b>	3	18	1	0	0	22	7.3

<sup>5</sup> Weights of 10 were assigned to “observed,” 7 to “largely observed,” 4 to “partly observed,” and 1 to “not observed.” Those “not assessed” were omitted from the index calculations.

• Other OECD jurisdictions	0	7	0	0	0	7	7.0
• Other jurisdictions	2	34	3	0	0	39	6.9
• Total participating authorities	5	59	4	0	0	68	7.0

<b>ICP 11</b>							
• FSB jurisdictions	3	18	1	0	0	22	7.3
• Other OECD jurisdictions	0	6	1	0	0	7	6.6
• Other jurisdictions	0	33	6	0	0	39	6.5
• Total participating authorities	3	57	8	0	0	68	6.8

Table 1.2 ICPs 9, 10, and 11 Results by IAIS Region

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>ICP 9</b>							
• Americas	0	12	1	0	0	13	6.8
• Asia-Oceania	1	12	2	0	0	15	6.8
• Central, Eastern Europe and Transcaucasia	0	10	1	0	0	11	6.7
• Middle East and North Africa	0	7	1	0	0	8	6.6
• Offshore and Caribbean Islands	0	7	2	0	0	9	6.3
• Sub-Saharan Africa	0	1	0	0	0	1	7.0
• Western Europe	0	11	0	0	0	11	7.0
• Total participating authorities	1	60	7	0	0	68	6.7
<b>ICP 10</b>							
• Americas	1	12	0	0	0	13	7.2
• Asia-Oceania	2	12	1	0	0	15	7.2
• Central, Eastern Europe and Transcaucasia	0	9	2	0	0	11	6.5

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
• Middle East and North Africa	1	7	0	0	0	8	7.4
• Offshore and Caribbean Islands	1	7	1	0	0	9	7.0
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	0	11	0	0	0	11	7.0
• Total participating authorities	5	59	4	0	0	68	7.0

ICP 11							
• Americas	0	13	0	0	0	13	7.0
• Asia-Oceania	2	10	3	0	0	15	6.8
• Central, Eastern Europe and Transcaucasia	1	8	2	0	0	11	6.7
• Middle East and North Africa	0	7	1	0	0	8	6.6
• Offshore and Caribbean Islands	0	8	1	0	0	9	6.7
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	0	10	1	0	0	11	6.7
• Total participating authorities	3	57	8	0	0	68	6.8

## 2. Member Participation

Table 2.1 Participation in SAPRs by IAIS Region

	ICPs 1 and 2	ICP 23	ICPs 4, 5, 7 and 8	ICPs 9, 10 and 11	IAIS Members	Participation Rate for ICPs 9, 10 and 11 (%)
• Americas	15	16	14	13	22	36
• Asia-Oceania	12	7	14	15	28	54
• Central, Eastern Europe and Transcaucasia	11	7	9	11	25	44
• Middle East and North Africa	5	3	5	8	12	67
• Offshore and Caribbean Islands	11	6	6	9	18	50
• Sub-Saharan Africa	10	6	6	1	18	6
• Western Europe	18	14	15	11	27	41
• Total participating authorities	82	59	69	68	150	42

28. In October 2014, the IAIS adopted several changes to its By-Laws. Amongst the changes, IAIS Members committed to “undergo periodic self-assessments and peer reviews.” IAIS By-Laws, Article 3(6)(c). As Members become aware of this expectation, the number participating in the SAPR may increase. When invitations for future assessments are sent out, the IC should ensure that this expectation is clearly communicated.
29. The IAIS has also recently approved a framework for supporting translation of IAIS materials into widely spoken languages. This framework makes clear that the IAIS can undertake translations of questionnaires into French and Spanish. Previous Expert Teams have noted that the translation of IAIS material into widely spoken languages would likely encourage greater participation by Members.
30. The Expert Team notes that participation rates are consistent with past assessments. In general, the sample size, the regional breakdown and the range in market size and sophistication give a strong illustrative sample and global/regional picture of implementation.
31. It is important to note, however, that there was significantly lower participation in Sub-Saharan Africa, where only one Member participated. While the Expert Team cannot explain the reasons behind the lower participation, the implication of this is that the regional results are not illustrative.

### 3. Detailed Assessment Results and Observations

#### *ICP 9*

##### **ICP 9 Supervisory Review and Reporting**

**The supervisor takes a risk-based approach to supervision that uses both off-site monitoring and on-site inspections to examine the business of each insurer, evaluate its condition, risk profile and conduct, the quality and effectiveness of its corporate governance and its compliance with relevant legislation and supervisory requirements. The supervisor obtains the necessary information to conduct effective supervision of insurers and evaluate the insurance market.**

32. One supervisory authority is observed, 60 largely observed, 7 partly observed and none not observed.
33. Observance levels are generally consistent across regions, with very limited variance in the distribution between observed, largely observed and partly observed.
34. Compared to ICPs 10 and 11, observance of this ICP is the most challenging. The standard with the lowest level of observance is Standard 9.5, which deals with the material elements that should be included in off-site reporting. See the discussion on this standard below for the Expert Team's views on how observance could be improved.
35. The Expert Team recognises that this ICP is critically important in the day-to-day business of insurance supervisors. This importance places an onus on the IAIS to ensure that the objectives of this ICP and its standards are focused on outcomes and clearly written. Through this exercise, the Expert Team has identified a few instances where implementation challenges could be related to partial understanding of the intent of standards. For example, Standard 9.3 requires that the supervisory framework "pays due attention" to the nature, scale and complexity of the insurer's risks. As noted below, it may not have been clear whether the objective of this standard is to establish a process or to ensure that the process produces an outcome that is then reflected in the supervisory framework.
36. One indication of the importance of this ICP is the inclusion of extensive guidance on the processes and approaches that supervisors can take. Based on the responses in this assessment, it is not clear that the guidance has had the intended outcome.
37. Further, the extensive guidance can create additional challenges for supervisors. In some instances, the guidance establishes additional requirements for the supervisory authority. This creates situations where the guidance must be read into the standard, otherwise

observance could be achieved despite doing very little substantively. For example, Standard 9.8 establishes the expectation that the supervisor set the scope and frequency for on-site inspections, and conducts those inspections, while elaborating in the guidance what the scope of on-site inspections should entail.

38. The Expert Team recognises that enhancing supervision is a strategic goal of the IAIS. The IAIS is working on a number of initiatives that provide practical guidance on supervision. For example, the development of a supervisory guide and updating of the core curriculum, as well as the work of the Access to Insurance Initiative (A2ii) to develop case studies on proportionality in practice are examples of IAIS initiatives to develop tools for supervisors on how to conduct supervision. The Expert Team suggests that the IC work closely with the TC on the development of these tools, with one objective being whether these tools would provide a better vehicle for capturing the information contained within the guidance of this ICP.
39. Beyond the status of the guidance, the Expert Team notes that the architecture of the ICP could raise questions about the relative importance of particular standards. For example, Standards 9.7 and 9.8 cover off on-site supervision and off-site monitoring. Without comprehensive on-site supervision and off-site monitoring, effective supervision is impossible. Consequently, the TC could consider whether the significance of these standards needs to be drawn out more clearly.

**Table 3.1 ICP 9 Summary of Results**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>ICP 9 by Nature of Jurisdiction</b>							
• FSB jurisdictions	1	19	2	0	0	22	6.9
• Other OECD jurisdictions	0	7	0	0	0	7	7.0
• Other jurisdictions	0	34	5	0	0	39	6.6
• Total participating authorities	1	60	7	0	0	68	6.7
<b>ICP 9 by IAIS Region</b>							
• Americas	0	12	1	0	0	13	6.8
• Asia-Oceania	1	12	2	0	0	15	6.8
• Central, Eastern Europe and Transcaucasia	0	10	1	0	0	11	6.7
• Middle East and North Africa	0	7	1	0	0	8	6.6

• Offshore and Caribbean Islands	0	7	2	0	0	9	6.3
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	0	11	0	0	0	11	7.0
• Total participating authorities	1	60	7	0	0	68	6.7
<b>ICP 9 by Standard, total participating authorities</b>							
• Standard 9.1	33	34	1	0	0	68	8.4
• Standard 9.2	25	36	7	0	0	68	7.8
• Standard 9.3	36	20	12	0	0	68	8.1
• Standard 9.4	55	13	0	0	0	68	9.4
• Standard 9.5	20	36	12	0	0	68	7.4
• Standard 9.6	33	25	10	0	0	68	8
• Standard 9.7	44	24	0	0	0	68	8.9
• Standard 9.8	23	42	3	0	0	68	7.9
• Standard 9.9	23	43	2	0	0	68	7.9

**Standard 9.1: The supervisor has the necessary legal authority, powers and resources to perform off-site monitoring and conduct on-site inspections of insurers, including monitoring and inspecting services and activities outsourced by the insurer. The supervisor also has the power to require insurers to submit information necessary for supervision.**

40. Observance levels for this standard are relatively high, with nearly all supervisors either observed or largely observed. The Expert Team notes that Western Europe in total has a lower proportion of observed ratings than other regions. Implementation of Solvency II could improve the observance level.
41. The Expert Team notes that this standard is possibly duplicative with Standard 1.2, which states:

Primary legislation clearly defines the objectives of insurance supervision and the mandate and responsibilities of the supervisor and gives the supervisor adequate powers to conduct insurance supervision, including powers to issue and enforce rules by administrative means and take immediate action.

42. Moreover, the footnote in Standard 9.1 directly references ICPs 1 and 2. This raises the question of whether ICPs 1 and 2 are part of the accessible criteria for the standard or should be considered when assessing this standard. The Expert Team recommends that Standard 9.1 be reviewed with an eye towards minimising duplication and/or clarifying its relationship when making assessments with standards under ICPs 1 and 2.
43. The Expert Team notes that the standard captures a number of elements that are further elaborated in the subsequent standards of ICP 9. It is not clear if this duplication is necessary.

Table 3.2 Standard 9.1

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	13	8	1	0	0	22	8.6
• Other OECD jurisdictions	2	5	0	0	0	7	7.9
• Other jurisdictions	18	21	0	0	0	39	8.4
• Total participating authorities	33	34	1	0	0	68	8.4
<b>Results by IAIS Region</b>							
• Americas	8	5	0	0	0	13	8.8
• Asia-Oceania	8	7	0	0	0	15	8.6
• Central, Eastern Europe and Transcaucasia	7	3	1	0	0	11	8.6
• Middle East and North Africa	5	3	0	0	0	8	8.9
• Offshore and Caribbean Islands	3	6	0	0	0	9	8.0
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	2	9	0	0	0	11	7.5
• Total participating authorities	33	34	1	0	0	68	8.4



**Standard 9.2: The supervisor has a documented framework for supervisory review and reporting which takes into account the nature, scale and complexity of insurers. The framework encompasses a supervisory plan that sets priorities and determines the appropriate depth and level of off-site monitoring and on-site-inspection activity.**

44. Observance levels for this standard are relatively high, with nearly all supervisors either observed or largely observed. Regional variances were identified, with Western Europe and Transcaucasia having lower levels of observance.
45. Despite the high level of observance, the Expert Team notes that the standard is very complex, identifying elements required for both a supervisory framework and a supervisory plan. As both the supervisory framework and supervisory plan are important, the Expert Team is of the view that consideration should be given to whether two standards are needed.
46. The Expert Team also noted that Guidance 9.2.2 creates additional requirements on the elements that the supervisor will need to evaluate as part of the supervisory framework to observe the standard:

As an overall objective of the framework is to assess the insurer's current and prospective solvency, other risks and its treatment of customers, the supervisor should compare the risk profile of the insurer with its risk-carrying capacity and seek to detect any issues that may adversely affect the insurer's capacity to meet its obligations towards policyholders in the long term. The supervisor will also need to evaluate:

- the assets and liabilities (including off-balance sheet commitments);
  - the technical operations (eg actuarial methods, underwriting policy, reinsurance policy);
  - the treatment of customers and whether any activities being engaged in are not fair, lawful or proper;
  - the accounting and internal control systems;
  - the insurer's compliance with supervisory requirements;
  - the corporate culture and the effectiveness of the insurer's corporate governance and risk management; and
  - the insurer's organisation and any implications of belonging to a group.
47. While this information is helpful in developing a supervisory framework, it is unclear whether assessments must consider whether these elements are part of the authority's framework.

48. The linkage of Guidance 9.2.13 with ICP 23 on Group-wide Supervision is not clear and, while seemingly significant, is buried at the end of the guidance. The Expert Team is aware that there is work underway by the Insurance Groups Working Group (IGWG) to revise ICP 23 and other applicable standards. It is important that the linkage with ICP 9 be considered carefully by the group revising ICP 23.

Table 3.3 Standard 9.2

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	13	7	2	0	0	22	8.5
• Other OECD jurisdictions	3	3	1	0	0	7	7.9
• Other jurisdictions	9	26	4	0	0	39	7.4
• Total participating authorities	25	36	7	0	0	68	7.8
<b>Results by IAIS Region</b>							
• Americas	9	3	1	0	0	13	8.8
• Asia-Oceania	7	5	3	0	0	15	7.8
• Central, Eastern Europe and Transcaucasia	1	10	0	0	0	11	7.3
• Middle East and North Africa	3	5	0	0	0	8	8.1
• Offshore and Caribbean Islands	3	5	1	0	0	9	7.7
• Sub-Saharan Africa	0	1	0	0	0	1	7.0
• Western Europe	2	7	2	0	0	11	7.0
• Total participating authorities	25	36	7	0	0	68	7.8

**Standard 9.3: The supervisor has a mechanism to check periodically that its supervisory framework pays due attention to the evolving nature, scale and complexity of risks which may be posed by insurers and of risks to which insurers may be exposed.**

49. There is significant variance in observance levels for this standard. Twelve participating authorities were partly observed making Standard 9.2, along with Standard 9.5, the least observed within ICP 9.

50. The Expert Team notes that in Standard 9.3 it is not clear what expectation is established – that is, should assessors focus on the mechanism for considering “nature, scale and complexity” or on the outcome that is achieved by having such a mechanism?
51. Further, this standard specifically references “nature, scale and complexity” which, according to paragraph 8 of the ICP Introduction, triggers the expectation that supervisors have “...the flexibility to tailor supervisory requirements and actions so that they are commensurate with the risks posed by individual insurers.” In this instance, the phrase appears to be more focused on supervisors taking a risk based approach rather than a proportional approach. Understanding how “nature, scale and complexity” should be interpreted here would also enable clarification of what the assessor should look at – the process or the outcome.
52. The Expert Team recommends that the TC could review whether the objective of this standard is clear and whether the expectation is for a risk based approach, a proportionate approach, or both.

Table 3.4 Standard 9.3

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	17	3	2	0	0	22	9.0
• Other OECD jurisdictions	6	1	0	0	0	7	9.6
• Other jurisdictions	13	16	10	0	0	39	7.2
• Total participating authorities	36	20	12	0	0	68	8.1
<b>Results by IAIS Region</b>							
• Americas	9	2	2	0	0	13	8.6
• Asia-Oceania	7	5	3	0	0	15	7.8
• Central, Eastern Europe and Transcaucasia	5	4	2	0	0	11	7.8
• Middle East and North Africa	5	2	1	0	0	8	8.5
• Offshore and Caribbean Islands	3	3	3	0	0	9	7.0
• Sub-Saharan Africa	0	1	0	0	0	1	7.0
• Western Europe	7	3	1	0	0	11	8.6
• Total participating	36	20	12	0	0	68	8.1

authorities							
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**Standard 9.4: The supervisor:**

- establishes documented requirements for the submission of regular qualitative and quantitative information on a timely basis from all insurers licensed in its jurisdiction;
- defines the scope, content and frequency of those reports and information;
- requires more frequent and/or more detailed additional information on a timely basis whenever there is a need;
- sets out the relevant principles and norms for supervisory reporting, in particular the accounting standards to be used;
- requires that inaccurate reporting is corrected as soon as possible; and
- requires that an external audit opinion is provided on annual financial statements.

53. Observance of this standard is very high with little variance between IAIS regions.

54. Where observance of this standard is a challenge, the most common issue is the requirement for inaccurate reporting to be corrected as soon as possible. Some jurisdictions indicated that they did not have the legislative powers to require inaccurate reporting to be corrected, but relied on other supervisory powers or moral suasion to ensure inaccurate reporting was corrected. The Expert Team encourages supervisory authorities to take steps to ensure they have necessary legislative powers.

Table 3.5 Standard 9.4

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	21	1	0	0	0	22	9.9
• Other OECD jurisdictions	6	1	0	0	0	7	9.6
• Other jurisdictions	28	11	0	0	0	39	9.2
• Total participating authorities	55	13	0	0	0	68	9.4
<b>Results by IAIS Region</b>							

• Americas	11	2	0	0	0	13	9.5
• Asia-Oceania	11	4	0	0	0	15	9.2
• Central, Eastern Europe and Transcaucasia	11	0	0	0	0	11	10.0
• Middle East and North Africa	7	1	0	0	0	8	9.6
• Offshore and Caribbean Islands	5	4	0	0	0	9	8.7
• Sub-Saharan Africa	1	0	0	0	0	1	10.0
• Western Europe	9	2	0	0	0	11	9.5
• Total participating authorities	55	13	0	0	0	68	9.4

**Standard 9.5: In particular, the supervisor requires insurers to report:**

- off-balance sheet exposures;
- material outsourced functions and activities; and
- any significant changes to their corporate governance.

The supervisor also requires insurers to promptly report any material changes or incidents that could affect their condition or customers.

55. This standard was found to have the lowest level of observance compared to the other standards under ICP 9. Regional variances are also notable, with the Americas and Asia – Oceania having a higher level of observance.
56. Responses provided by participating supervisors indicate that the area with the greatest variance was in requirements for reporting of off-balance sheet exposures. Some supervisors require frequent reporting (three or more times per year) while others request this information annually or less often. Variance in reporting expectations raises questions on how supervisors utilise the information and whether the IAIS should provide greater clarity on the expectations and objectives of off-site monitoring, which would include the types of information and data that supervisors should request.

**Table 3.6 Standard 9.5**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	11	7	4	0	0	22	8.0

• Other OECD jurisdictions	0	6	1	0	0	7	6.6
• Other jurisdictions	9	23	7	0	0	39	7.2
• Total participating authorities	20	36	12	0	0	68	7.4
<b>Results by IAIS Region</b>							
• Americas	7	5	1	0	0	13	8.4
• Asia-Oceania	8	5	2	0	0	15	8.2
• Central, Eastern Europe and Transcaucasia	0	8	3	0	0	11	6.2
• Middle East and North Africa	2	4	2	0	0	8	7.0
• Offshore and Caribbean Islands	1	7	1	0	0	9	7.0
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	2	6	3	0	0	11	6.7
• Total participating authorities	20	36	12	0	0	68	7.4

**Standard 9.6: The supervisor periodically reviews its reporting requirements to ascertain that they still serve their intended objectives and to identify any gaps which need to be filled. The supervisor sets any additional requirements that it considers necessary for certain insurers based on their nature, scale and complexity**

57. Standard 9.6 has one of the highest number of supervisors who are partly observed. Regional variances were identified, with Offshore and Caribbean Islands, Western Europe and Middle East and North Africa having lower levels of observance.
58. Those who are partly observed are generally unable to set additional reporting requirements and have not reviewed reporting requirements. The Expert Team notes that reviewing reporting requirements is critically important to ensure that a supervisory authority is receiving the right information at the right frequency. Without reviewing its reporting requirements, the supervisory authority may be collecting insufficient or incomplete information. With respect to having the power to set additional reporting requirements, the Expert Team acknowledges that many supervisory authorities, despite not having explicit legislative powers, have other tools to encourage insurers to provide additional information. While this can be argued to be achieving the outcome, the absence of explicit legislative authority could be a serious impediment if an insurer is not responsive to the supervisor's requests.

59. The Expert Team also notes that this standard has some overlap with Standards 9.2 and 9.3. The Expert Team encourages the TC to examine whether there is a need to differentiate the expectations established in this Standard from those in Standards 9.2 and 9.3.

**Table 3.7 Standard 9.6**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	17	4	1	0	0	22	9.2
• Other OECD jurisdictions	3	4	0	0	0	7	8.3
• Other jurisdictions	13	17	9	0	0	39	7.3
• Total participating authorities	33	25	10	0	0	68	8.0
<b>Results by IAIS Region</b>							
• Americas	8	4	1	0	0	13	8.6
• Asia-Oceania	8	6	1	0	0	15	8.4
• Central, Eastern Europe and Transcaucasia	4	5	2	0	0	11	7.5
• Middle East and North Africa	4	3	1	0	0	8	8.1
• Offshore and Caribbean Islands	3	3	3	0	0	9	7.0
• Sub-Saharan Africa	1	0	0	0	0	1	10.0
• Western Europe	5	4	2	0	0	11	7.8
• Total participating authorities	33	25	10	0	0	68	8.0

**Standard 9.7: The supervisor monitors and supervises insurers on an on-going basis, based on regular communication with the insurer, information obtained through supervisory reporting and analysis of market and other relevant information.**

60. All participating supervisory authorities were found to be either observed or largely observed for this standard.
61. The biggest impediment to observance of this standard is the frequency of communication with insurers. In the view of the Expert Team, a supervisory authority should communicate with an insurer more frequently than annually.

62. The guidance is very instructive on how a supervisory authority could achieve observance. The Expert Team suggests that some of this guidance could be more effectively communicated through other tools, such as the Supervisory Guide being developed in partnership with the WB.

Table 3.8 Standard 9.7

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	17	5	0	0	0	22	9.3
• Other OECD jurisdictions	4	3	0	0	0	7	8.7
• Other jurisdictions	23	16	0	0	0	39	8.8
• Total participating authorities	44	24	0	0	0	68	8.9
<b>Results by IAIS Region</b>							
• Americas	11	2	0	0	0	13	9.5
• Asia-Oceania	10	5	0	0	0	15	9.0
• Central, Eastern Europe and Transcaucasia	8	3	0	0	0	11	9.2
• Middle East and North Africa	6	2	0	0	0	8	9.3
• Offshore and Caribbean Islands	4	5	0	0	0	9	8.3
• Sub-Saharan Africa	0	1	0	0	0	1	7.0
• Western Europe	5	6	0	0	0	11	8.4
• Total participating authorities	44	24	0	0	0	68	8.9

**Standard 9.8: The supervisor sets the objective and scope for on-site inspections, develops corresponding work programmes and conducts such inspections.**

63. Most supervisory authorities are largely observed. Regional variances were identified, with Offshore and Caribbean Islands and Western Europe having lower levels of observance. Where observance is a challenge, it is primarily a result of the inadequate frequency with which an authority conducts on-site inspections. The Expert Team recognises that on-site inspections should reflect a risk based approach to supervision;



however, it is clear that not all supervisors are able to conduct on-site inspections at regular intervals or as frequently as desirable under their risk based approach to supervision. Further, the responses from participating authorities indicated that in a number of countries, on-site inspections were focused only on compliance and not on risk assessment.

64. The Expert Team recognises the importance of this standard for supervisory practice, yet the drafting of the standard is such that a supervisor could do very little and observe the standard. The guidance under this standard is extensive and in the absence of a more robust standard the guidance becomes part of the assessable criteria. The Expert Team recommends strengthening the standard to ensure that the substantive considerations that should inform the scope and objective of on-site inspections are captured.

Table 3.9 Standard 9.8

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	9	13	0	0	0	22	8.2
• Other OECD jurisdictions	1	5	1	0	0	7	7.0
• Other jurisdictions	13	24	2	0	0	39	7.8
• Total participating authorities	23	42	3	0	0	68	7.9
<b>Results by IAIS Region</b>							
• Americas	4	9	0	0	0	13	7.9
• Asia-Oceania	7	5	3	0	0	15	7.8
• Central, Eastern Europe and Transcaucasia	4	7	0	0	0	11	8.1
• Middle East and North Africa	5	3	0	0	0	8	8.9
• Offshore and Caribbean Islands	1	8	0	0	0	9	7.3
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	2	9	0	0	0	11	7.5
• Total participating authorities	23	42	3	0	0	68	7.9

**Standard 9.9: The supervisor discusses with the insurer any relevant findings of the supervisory review and the need for any preventive or corrective action. The supervisor follows up to check that required actions have been taken by the insurer.**

65. A significant majority of participating authorities are largely observed. Regional variances were identified, with the Americas and Western Europe having overall lower observance levels.
66. Where observance is a challenge, it is primarily the result of taking one month or longer to communicate findings from a supervisory review to an insurer. Moreover, some supervisory authorities acknowledge that more than a month can elapse between identifying preventative and corrective measures and communicating those measures to an insurer. The Expert Team acknowledges that timeliness is not identified in the standard, but thinks that it is critically important that relevant findings are communicated and that preventative and corrective measures are taken in a timely fashion. Such timeliness is critically important for effective supervision and, ultimately, policyholder protection.
67. This standard could be seen as duplicative with standards under ICP 10. In addition, the linkage with Standard 10.5 should be clarified.

**Table 3.10 Standard 9.9**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	7	15	0	0	0	22	8.0
• Other OECD jurisdictions	1	6	0	0	0	7	7.4
• Other jurisdictions	15	22	2	0	0	39	8.0
• Total participating authorities	23	43	2	0	0	68	7.9
<b>Results by IAIS Region</b>							
• Americas	1	12	0	0	0	13	7.2
• Asia-Oceania	6	8	1	0	0	15	8.0
• Central, Eastern Europe and Transcaucasia	5	6	0	0	0	11	8.4

• <b>Middle East and North Africa</b>	4	3	1	0	0	8	8.1
• <b>Offshore and Caribbean Islands</b>	4	5	0	0	0	9	8.3
• <b>Sub-Sahara Africa</b>	0	1	0	0	0	1	7.0
• <b>Western Europe</b>	3	8	0	0	0	11	7.8
• <b>Total participating authorities</b>	23	43	2	0	0	68	7.9

## *ICP 10*

### **ICP 10 Preventive and Corrective Measures**

**The supervisor takes preventive and corrective measures that are timely, suitable and necessary to achieve the objectives of insurance supervision.**

68. Five insurance supervisors are observed, 59 largely observed, 4 partly observed and none not observed. This ICP has the most number of observed insurance supervisors compared to the other two ICPs. Regional variances within ICP 10 are limited.
69. The Expert Team acknowledges that in the assessment of this ICP, some supervisory authorities received lower assessments than they had in their recent FSAP assessment. This can be explained partially by the fact that the SAPR process is a desk audit with limited opportunities to verify responses with the supervisory authority and no opportunities to engage with industry participants and other stakeholders. Consequently, Expert Teams traditionally take a conservative approach in assessing observance.
70. ICP 10 covers areas that are an important part of the supervisory process and essential for achieving the objective of policyholder protection. Despite this importance, however, there is very limited guidance for the ICP and the IAIS has not focused recently on supporting supervisors in this area. While extensive guidance may not be necessary, the Expert Team sees value in the IC and TC considering whether supervisors would benefit from elaboration on the expectations related to these standards and identification of effective practices in preventative and corrective measures.
71. The most notable challenge for supervisors in ICP 10 is Standard 10.5. The area causing the most difficulty for supervisors is ensuring timely communication with insurers, and communicating at the right level (Board, Senior Management or Key Persons in Control Functions). Some jurisdictions think that the Board should only be engaged for the most significant supervisory concerns or when those at lower levels have not addressed the concerns. The Expert Team feels that that ultimately the Board is responsible for the governance of the insurer and, as a result, should be aware when the supervisor has required preventive and corrective measures.
72. The Expert Team notes that ICP 10 does not have an explicit requirement for ensuring consistency of preventative and corrective measures. While ICP 10 implies the need for flexibility, consistency should be considered by supervisors in applying preventative and corrective measures.

Table 3.11 ICP 10 Summary of Results

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>ICP 10 by Nature of Jurisdiction</b>							
• FSB jurisdictions	3	18	1	0	0	22	7.3
• Other OECD jurisdictions	0	7	0	0	0	7	7.0
• Other jurisdictions	2	34	3	0	0	39	6.9
• Total participating authorities	5	59	4	0	0	68	7.0
<b>ICP 10 by IAIS Region</b>							
• Americas	1	12	0	0	0	13	7.2
• Asia-Oceania	2	12	1	0	0	15	7.2
• Central, Eastern Europe and Transcaucasia	0	9	2	0	0	11	6.5
• Middle East and North Africa	1	7	0	0	0	8	7.4
• Offshore and Caribbean Islands	1	7	1	0	0	9	7.0
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	0	11	0	0	0	11	7.0
• Total participating authorities	5	59	4	0	0	68	7.0
<b>ICP 5 by Standard, total participating authorities</b>							
• Standard 10.1	29	35	4	0	0	68	8.1
• Standard 10.2	36	31	1	0	0	68	8.5
• Standard 10.3	54	10	2	2	0	68	9.1
• Standard 10.4	65	3	0	0	0	68	9.9
• Standard 10.5	31	29	8	0	0	68	8.0
• Standard 10.6	38	25	3	2	0	68	8.3

**Standard 10.1: The supervisor has the power to take action against individuals or entities that conduct insurance activities without the necessary licence.**

73. This standard has the lowest observance level amongst the ICP 10 standards. Regional variances were noted, with Offshore and Caribbean Islands having the lowest level of observance.
74. Where observance is a challenge, the Expert Team notes it is largely due to the absence of mechanisms for proactively identifying whether unlicensed insurance activity is taking place. There are a number of tools available to supervisors to identify unlicensed activity, and the Expert Team encourages the IAIS to determine steps that could be taken to increase awareness.
75. The Expert Team that conducted the thematic review on Corporate and Risk Governance identified taking action to address unlicensed insurers as an important part of observing Standard 4.1.<sup>6</sup> This could be a (theoretical) case of double jeopardy. Further, the Expert Team notes that while a specific power is identified in Standard 10.1 for licensing, other powers are not specifically identified. Consideration should be given to whether this standard is necessary.

**Table 3.12 Standard 10.1**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	12	10	0	0	0	22	8.6
• Other OECD jurisdictions	3	3	1	0	0	7	7.9
• Other jurisdictions	14	22	3	0	0	39	7.8
• Total participating authorities	29	35	4	0	0	68	8.1
<b>Results by IAIS Region</b>							
• Americas	8	5	0	0	0	13	8.8
• Asia-Oceania	5	9	1	0	0	15	7.8
• Central, Eastern and Europe	6	3	2	0	0	11	8.1

<sup>6</sup> See: Aggregate Report from the Expert Team Conducting the Self-Assessment and Peer Review of ICP 4, 5, 7 and 8 at <http://iaisweb.org/index.cfm?event=getPage&nodeId=25255>

Transcaucasia							
• Middle East and North Africa	6	2	0	0	0	8	9.3
• Offshore and Caribbean Islands	1	8	0	0	0	9	7.3
• Sub-Saharan Africa	0	1	0	0	0	1	7.0
• Western Europe	3	7	1	0	0	11	7.5
• Total participating authorities	29	35	4	0	0	68	8.1

**Standard 10.2: The supervisor has sufficient authority and ability, including the availability of adequate instruments, to take timely preventive and corrective measures if the insurer fails to operate in a manner that is consistent with sound business practices or regulatory requirements. There is a range of actions or remedial measures which include allowing for early intervention when necessary. Preventive and corrective measures are applied commensurate with the severity of the insurer’s problems.**

76. All but one participating supervisory authority are either observed or largely observed for this standard. There is little regional variance.
77. The Expert Team notes that the phrase “nature, scale and complexity” does not appear in this standard, but in Guidance 10.2.2. The Expert Team noted that as a result of the guidance proportionality could be read into the phrase “are applied commensurate to the severity of the insurer’s problems.” It is not clear that this is the intent however, as the standard appears to be focused more on using the appropriate tools to correct the action or behaviour of the insurer.
78. The Expert Team also discussed whether this standard should be split into two standards, with one standard addressing the authority and processes to take timely measures while a second standard addresses the range of remedial measures available and their application in a manner commensurate with the severity of the insurer’s problems.

**Table 3.13 Standard 10.2**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	13	8	1	0	0	22	8.6
• Other OECD jurisdictions	3	4	0	0	0	7	8.3
• Other jurisdictions	20	19	0	0	0	39	8.5

• Total participating authorities	36	31	1	0	0	68	8.5
<b>Results by IAIS Region</b>							
• Americas	7	6	0	0	0	13	8.6
• Asia-Oceania	8	7	0	0	0	15	8.6
• Central, Eastern Europe and Transcaucasia	3	7	1	0	0	11	7.5
• Middle East and North Africa	2	6	0	0	0	8	7.8
• Offshore and Caribbean Islands	8	1	0	0	0	9	9.7
• Sub-Saharan Africa	1	0	0	0	0	1	10.0
• Western Europe	7	4	0	0	0	11	8.9
• Total participating authorities	36	31	1	0	0	68	8.5

**Standard 10.3: There is a progressive escalation in actions or remedial measures that can be taken if the problems become worse or the insurer ignores requests from the supervisor to take preventive and corrective action.**

79. Observance is very high with little regional variance.
80. The Expert Team notes, however, that the standard could be strengthened by requiring the establishment of a mechanism for ensuring “similar actions are taken for similar problems or violations.” Currently the standard does not require that the steps for progressive escalation be either documented or applied consistently.

**Table 3.14 Standard 10.3**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	19	2	1	0	0	22	9.5
• Other OECD jurisdictions	6	1	0	0	0	7	9.6
• Other jurisdictions	29	7	1	2	0	39	8.8
• Total participating authorities	54	10	2	2	0	68	9.1
<b>Results by IAIS Region</b>							



• Americas	13	0	0	0	0	13	10.0
• Asia-Oceania	12	2	0	1	0	15	8.9
• Central, Eastern Europe and Transcaucasia	10	0	1	0	0	11	9.5
• Middle East and North Africa	6	2	0	0	0	8	9.3
• Offshore and Caribbean Islands	5	2	1	1	0	9	7.6
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	8	3	0	0	0	11	9.2
• Total participating authorities	54	10	2	2	0	68	9.1

**Standard 10.4: If necessary, the supervisor requires the insurer to develop an acceptable plan for prevention and correction of problems. Preventive and corrective plans include agreed and acceptable steps to be taken to resolve the issues raised within an acceptable timeframe. Once preventive and corrective plans have been agreed to or imposed, the supervisor periodically checks to determine that the insurer is complying with the measures.**

81. Observance of this standard is the highest compared to other standards under ICP 10, with 65 supervisory authorities found to be observed and none partially observed or not observed. There is little regional variance.
82. The Expert Team notes that the guidance specifically references how a supervisory authority using an indirect approach would need to approach this standard. As the IAIS is undertaking revisions of ICP 23, the Expert Team suggests the TC ensure that this guidance will remain consistent with any revisions to ICP 23.

**Table 3.15 Standard 10.4**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	22	0	0	0	0	22	10.0
• Other OECD jurisdictions	7	0	0	0	0	7	10.0
• Other jurisdictions	36	3	0	0	0	39	9.8
• Total participating authorities	65	3	0	0	0	68	9.9

Results by IAIS Region							
• Americas	13	0	0	0	0	13	10.0
• Asia-Oceania	12	3	0	0	0	15	9.4
• Central, Eastern Europe and Transcaucasia	11	0	0	0	0	11	10.0
• Middle East and North Africa	8	0	0	0	0	8	10.0
• Offshore and Caribbean Islands	9	0	0	0	0	9	10.0
• Sub-Sahara Africa	1	0	0	0	0	1	10.0
• Western Europe	11	0	0	0	0	11	10.0
• Total participating authorities	65	3	0	0	0	68	9.9

**Standard 10.5: The supervisor communicates with the Board and Senior Management and Key Persons in Control Functions and brings to their attention any material concern in a timely manner to ensure that preventive and corrective measures are taken and the outstanding issues are followed through to a satisfactory resolution.**

83. Observance of this standard is low compared to other standards within ICP 10. There is little regional variance.
84. The most common impediment to observance for supervisors is ensuring timely communication with insurers and communicating at the right level (Board, Senior Management or Key Persons in Control Functions). Some jurisdictions indicate that the Board should only be engaged for the most significant supervisory concerns or when those at lower levels have not addressed the concerns. The Expert Team feels that that ultimately the Board is responsible for the insurer and, as a result, should be aware when the supervisor has required preventive and corrective measures.
85. The Expert Team suggests the TC consider whether additional guidance is needed on this standard, particularly in light of questions from some participating supervisory authorities about when the Board should be made aware of preventative and corrective measures. This is particularly relevant as Standards 9.9 and 10.5 overlap to some extent in terms of objectives, but the requirements these two standards establish for the supervisory authority could be interpreted differently.

Table 3.16 Standard 10.5

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	9	12	1	0	0	22	8.1
• Other OECD jurisdictions	4	3	0	0	0	7	8.7
• Other jurisdictions	18	14	7	0	0	39	7.8
• Total participating authorities	31	29	8	0	0	68	8.0
<b>Results by IAIS Region</b>							
• Americas	6	7	0	0	0	13	8.4
• Asia-Oceania	9	2	4	0	0	15	8.0
• Central, Eastern Europe and Transcaucasia	3	5	3	0	0	11	7.0
• Middle East and North Africa	3	4	1	0	0	8	7.8
• Offshore and Caribbean Islands	5	4	0	0	0	9	8.7
• Sub-Saharan Africa	0	1	0	0	0	1	7.0
• Western Europe	5	6	0	0	0	11	8.4
• Total participating authorities	31	29	8	0	0	68	8.0

**Standard 10.6: The supervisor initiates measures designed to prevent a breach of the legislation from occurring, and promptly and effectively deals with non-compliance that could put policyholders at risk or impinge on any other supervisory objectives.**

86. The majority of supervisory authorities are observed or largely observed for this standard. There is limited regional variance.
87. Where observance of the standard is a challenge, the primary reason is that the supervisory activity to prevent a breach of legislation is not always effective.
88. The Expert Team also notes that while the standard appears to encourage a risk based approach for dealing with breaches of the legislation, the standard does not convey the same expectation on the supervisor if the insurer is in compliance with the legislation but is still high risk.

Table 3.17 Standard 10.6

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	15	5	1	1	0	22	8.6
• Other OECD jurisdictions	4	2	1	0	0	7	8.3
• Other jurisdictions	19	18	1	1	0	39	8.2
• Total participating authorities	38	25	3	2	0	68	8.3
<b>Results by IAIS Region</b>							
• Americas	7	4	2	0	0	13	8.2
• Asia-Oceania	11	4	0	0	0	15	9.2
• Central, Eastern Europe and Transcaucasia	6	3	0	2	0	11	7.4
• Middle East and North Africa	5	2	1	0	0	8	8.5
• Offshore and Caribbean Islands	4	5	0	0	0	9	8.3
• Sub-Saharan Africa	0	1	0	0	0	1	7.0
• Western Europe	5	6	0	0	0	11	8.4
• Total participating authorities	38	25	3	2	0	68	8.3

## *ICP 11*

### **ICP 11 Enforcement**

**The supervisor enforces corrective action and, where needed, imposes sanctions based on clear and objective criteria that are publicly disclosed.**

89. Three supervisory authorities are observed, 57 are largely observed, 8 are partly observed and none are not observed.
90. The standard with the lowest level of observance is Standard 11.8, which requires that the process for applying sanctions does not delay preventative and corrective measures. A number of participating supervisory authorities responded that there were some instances where the process could delay preventative and corrective measures, particularly where involvement of the court system was necessary.
91. As with ICP 10, the Expert Team acknowledges that in the assessment of this ICP some supervisory authorities received lower assessments than they had in recent FSAP assessments. Again, this can be explained, partially, by the fact that the SAPR process is a desk audit with limited opportunities to verify responses with the supervisory authority and no opportunities to engage with industry participants or other stakeholders. Consequently, Expert Teams traditionally take a conservative approach in assessing observance.
92. There is very limited guidance for this ICP and its standards. Further elaboration of the expectations created by this ICP, potentially in the form of guidance or through other learning tools, could help supervisory authorities strengthen their understanding and observance of this ICP.
93. The Expert Team recommends that the TC should clarify the application of these standards in the context of insurance groups.
94. The Expert Team also notes that proportionality does not appear to apply, given the absence of any references to “nature, scale and complexity” within the ICP and its standards.
95. Finally, the Expert Team notes that the requirement for powers in legislation is specifically mentioned in three of the standards. The inclusion of this term in three standards could create the perception that legislative powers are not needed in the other standards.

Table 3.18 ICP 11 Summary of Results

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>ICP 11 by Nature of Jurisdiction</b>							
• FSB jurisdictions	3	18	1	0	0	22	7.3
• Other OECD jurisdictions	0	6	1	0	0	7	6.6
• Other jurisdictions	0	33	6	0	0	39	6.5
• Total participating authorities	3	57	8	0	0	68	6.8
<b>ICP 11 by IAIS Region</b>							
• Americas	0	13	0	0	0	13	7.0
• Asia-Oceania	2	10	3	0	0	15	6.8
• Central, Eastern Europe and Transcaucasia	1	8	2	0	0	11	6.7
• Middle East and North Africa	0	7	1	0	0	8	6.6
• Offshore and Caribbean Islands	0	8	1	0	0	9	6.7
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	0	10	1	0	0	11	6.7
• Total participating authorities	3	57	8	0	0	68	6.8
<b>ICP 11 by Standard, total participating authorities</b>							
• Standard 11.1	45	22	1	0	0	68	8.9
• Standard 11.2	52	16	0	0	0	68	9.3
• Standard 11.3	44	22	0	0	2	68	9.0
• Standard 11.4	47	18	2	1	0	68	8.9
• Standard 11.5	31	21	15	1	0	68	7.6
• Standard 11.6	39	25	4	0	0	68	8.5
• Standard 11.7	49	11	7	1	0	68	8.8
• Standard 11.8	19	40	7	1	1	68	7.4
• Standard 11.9	44	11	2	0	11	68	9.2

• Standard 11.10	33	27	5	2	1	68	8.0
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**Standard 11.1: The supervisor has the power to enforce corrective action in a timely manner where problems involving insurers are identified. The supervisor issues formal directions to insurers to take particular actions or to desist from taking particular actions. The directions are appropriate to address the problems identified.**

96. Observance of this standard is high. There is limited regional variance.
97. Where observance is a challenge it is primarily due to the amount of time that passes between identification of issues and formal directions to the insurer. The Expert Team notes that jurisdictions who observed this standard were able to issue formal directions in one month or less. Taking additional time, depending on the severity of the issue, could increase risks for policyholders.
98. The Expert Team is unclear whether there is a reason the standard chooses to use the term “appropriate” instead of the phrase “nature, scale and complexity” or the phrase “applied commensurate with the severity of the insurer’s problems” used in Standard 10.2.”

**Table 3.19 Standard 11.1**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	16	6	0	0	0	22	9.2
• Other OECD jurisdictions	3	4	0	0	0	7	8.3
• Other jurisdictions	26	12	1	0	0	39	8.9
• Total participating authorities	45	22	1	0	0	68	8.9
<b>Results by IAIS Region</b>							
• Americas	10	3	0	0	0	13	9.3
• Asia-Oceania	10	5	0	0	0	15	9.0
• Central, Eastern Europe and Transcaucasia	7	4	0	0	0	11	8.9
• Middle East and North Africa	6	1	1	0	0	8	8.9
• Offshore and Caribbean Islands	4	5	0	0	0	9	8.3

• Sub-Sahara Africa	1	0	0	0	0	1	10.0
• Western Europe	7	4	0	0	0	11	8.9
• Total participating authorities	45	22	1	0	0	68	8.9

**Standard 11.2: The supervisor has a range of actions available in order to apply appropriate enforcement where problems are encountered. Powers set out in legislation should at a minimum include restrictions on business activities and measures to reinforce the financial position of an insurer.**

99. Observance of this standard is the highest amongst the ICP 11 standards, with no supervisory authorities being found partly observed or not observed. There is limited regional variance.
100. Guidance 11.2.1 identifies what powers are needed “at a minimum.” It is not clear whether the drafters of this ICP intended these particular powers as essential elements to observe the standard or if these are meant to be illustrative only.

Table 3.20 Standard 11.2

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	21	1	0	0	0	22	9.9
• Other OECD jurisdictions	4	3	0	0	0	7	8.7
• Other jurisdictions	27	12	0	0	0	39	9.1
• Total participating authorities	52	16	0	0	0	68	9.3
<b>Results by IAIS Region</b>							
• Americas	11	2	0	0	0	13	9.5
• Asia-Oceania	12	3	0	0	0	15	9.4
• Central, Eastern Europe and Transcaucasia	6	5	0	0	0	11	8.6
• Middle East and North Africa	6	2	0	0	0	8	9.3
• Offshore and Caribbean Islands	7	2	0	0	0	9	9.3
• Sub-Sahara Africa	1	0	0	0	0	1	10.0



• Western Europe	9	2	0	0	0	11	9.5
• Total participating authorities	52	16	0	0	0	68	9.3

**Standard 11.3: After corrective action has been taken or remedial measures, directions or sanctions have been imposed, the supervisor checks compliance by the insurer and assesses their effectiveness.**

101. Observance of this standard is high and no supervisory authority is partly observed or not observed. There is little regional variance.
102. The Expert Team questions whether the phrase “assessment of their effectiveness” refers to an assessment of the supervisory process leading to the corrective measures, remedial measures, directions or sanctions, or an assessment of the impact that these measures, directions or sanctions had on the insurer’s behaviour and risk profile. The Expert Team believes that both aspects are important, and could be more clearly highlighted in the ICP. The TC could look at this standard and the scope of its application.

Table 3.21 Standard 11.3

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	16	6	0	0	0	22	9.2
• Other OECD jurisdictions	4	2	0	0	1	7	9.0
• Other jurisdictions	24	14	0	0	1	39	8.9
• Total participating authorities	44	22	0	0	2	68	9.0
<b>Results by IAIS Region</b>							
• Americas	9	4	0	0	0	13	9.1
• Asia-Oceania	9	5	0	0	1	15	8.9
• Central, Eastern Europe and Transcaucasia	6	5	0	0	0	11	8.6
• Middle East and North Africa	5	2	0	0	1	8	9.1
• Offshore and Caribbean Islands	8	1	0	0	0	9	9.7

• Sub-Sahara Africa	1	0	0	0	0	1	10.0
• Western Europe	6	5	0	0	0	11	8.6
• Total participating authorities	44	22	0	0	2	68	9.0

**Standard 11.4: The supervisor has effective means to address management and governance problems, including the power to require the insurer to replace or restrict the power of Board Members, Senior Management, Key Persons in Control Functions, significant owners and external auditors.**

103. Observance of this standard is high. There is limited regional variance.

104. The Expert Team recommends for the TC to consider reviewing the potential duplication between this standard and Standard 5.5, which requires that the supervisor “address situations when Board Members, Senior management and Key Persons in Control Functions or significant owners no longer meet suitability requirements.” The Expert Team believes that these standards address the same objective in slightly different ways.

Table 3.22 Standard 11.4

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	17	4	1	0	0	22	9.2
• Other OECD jurisdictions	3	4	0	0	0	7	8.3
• Other jurisdictions	27	10	1	1	0	39	8.8
• Total participating authorities	47	18	2	1	0	68	8.9
<b>Results by IAIS Region</b>							
• Americas	10	2	1	0	0	13	9.1
• Asia-Oceania	11	4	0	0	0	15	9.2
• Central, Eastern Europe and Transcaucasia	7	3	0	1	0	11	8.3
• Middle East and North Africa	5	2	1	0	0	8	8.5
• Offshore and Caribbean Islands	7	2	0	0	0	9	9.3
• Sub-Sahara Africa	1	0	0	0	0	1	10.0

• Western Europe	6	5	0	0	0	11	8.6
• Total participating authorities	47	18	2	1	0	68	8.9

**Standard 11.5: Where necessary and in extreme cases, the supervisor imposes conservatorship over an insurer that is failing to meet prudential or other requirements. The supervisor has the power to take control of the insurer, or to appoint other specified officials or receivers for the task, and to make other arrangements for the benefit of the policyholders.**

105. Observance of this standard is lower than most other standards within this ICP. This standard also has the highest number of partly observed or not observed authorities among the ICP 11 standards. There is limited regional variance. One of the most significant challenges is the limit for some supervisors to impose conservatorship or take control of an insurer.
106. The Expert Team notes that institutional arrangements to ensure that a supervisor does not abuse its power are common in many jurisdictions. However, the effectiveness and impartiality of these arrangements are challenges for many supervisors. The IAIS may wish to consider whether any steps could be taken to help supervisors in this area.
107. A number of supervisors highlighted that its legal system does not have the concept of conservatorship. The TC could consider whether the objective of the standard would be altered if the first sentence was deleted.
108. The work of the Resolution Working Group (ReWG) may also touch on this standard as it addresses the powers of the supervisor in taking control of an insurer, which could be a first step in the resolution process.

**Table 3.23 Standard 11.5**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	11	9	2	0	0	22	8.2
• Other OECD jurisdictions	3	4	0	0	0	7	8.3
• Other jurisdictions	17	8	13	1	0	39	7.1
• Total participating authorities	31	21	15	1	0	68	7.6
<b>Results by IAIS Region</b>							

• Americas	6	7	0	0	0	13	8.4
• Asia-Oceania	8	4	2	1	0	15	7.7
• Central, Eastern Europe and Transcaucasia	4	2	5	0	0	11	6.7
• Middle East and North Africa	6	1	1	0	0	8	8.9
• Offshore and Caribbean Islands	3	1	5	0	0	9	6.3
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	4	5	2	0	0	11	7.5
• Total participating authorities	31	21	15	1	0	68	7.6

**Standard 11.6: There are sanctions by way of fines and other penalties against insurers and individuals where the provisions of the legislation are breached. The sanctions are proportionate to the identified breach.**

109. Observance of this standard is quite high, with limited regional variance.
110. The most common challenge for observance is the consistent application of sanctions where breaches are identified. A number of supervisory authorities responded that they did not always apply fines or other penalties.
111. A number of supervisory authorities responded that they rely on outside agencies to impose sanctions. The IAIS should consider providing additional guidance to help supervisors understand the risks of not achieving the objectives of insurance supervision in situations where the supervisor relies on outside agencies or other authorities to apply sanctions.

**Table 3.24 Standard 11.6**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	15	5	2	0	0	22	8.8
• Other OECD jurisdictions	4	2	1	0	0	7	8.3
• Other jurisdictions	20	18	1	0	0	39	8.5
• Total participating authorities	39	25	4	0	0	68	8.5

Results by IAIS Region							
• Americas	12	1	0	0	0	13	9.8
• Asia-Oceania	10	3	2	0	0	15	8.6
• Central, Eastern Europe and Transcaucasia	4	6	1	0	0	11	7.8
• Middle East and North Africa	3	5	0	0	0	8	8.1
• Offshore and Caribbean Islands	5	4	0	0	0	9	8.7
• Sub-Sahara Africa	0	1	0	0	0	1	7.0
• Western Europe	5	5	1	0	0	11	8.1
• Total participating authorities	39	25	4	0	0	68	8.5

**Standard 11.7: The legislation provides for sanctions against insurers and individuals who fail to provide information to the supervisor in a timely fashion, withhold information from the supervisor, provide information that is intended to mislead the supervisor or deliberately misreport to the supervisor.**

112. Observance of this standard is high. There is limited regional variance.

113. The most significant impediment to observance is limitations on legislative powers respecting sanctions. Moreover, sometimes institutional arrangements prevent supervisors from taking actions in a timely manner when an insurer fails to provide information or when an insurer attempts to deliberately mislead the supervisor.

Table 3.25 Standard 11.7

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	18	3	1	0	0	22	9.3
• Other OECD jurisdictions	7	0	0	0	0	7	10.0
• Other jurisdictions	24	8	6	1	0	39	8.2
• Total participating authorities	49	11	7	1	0	68	8.8
<b>Results by IAIS Region</b>							

• Americas	13	0	0	0	0	13	10.0
• Asia-Oceania	10	4	1	0	0	15	8.8
• Central, Eastern Europe and Transcaucasia	4	4	3	0	0	11	7.3
• Middle East and North Africa	4	2	2	0	0	8	7.8
• Offshore and Caribbean Islands	8	0	0	1	0	9	8.9
• Sub-Saharan Africa	0	0	1	0	0	1	4.0
• Western Europe	10	1	0	0	0	11	9.7
• Total participating authorities	49	11	7	1	0	68	8.8

**Standard 11.8: The process of applying sanctions does not delay necessary preventive and corrective measures and enforcement.**

114. This is the lowest observed standard for this ICP. The Offshore and Caribbean Islands and Middle East and North Africa regions have the lowest proportion of observed authorities.
115. Standard 11.8 requires that the process for applying sanctions does not delay preventative and corrective measures. A number of participating authorities responded that there were some instances where the processes could delay preventative and corrective measures, particularly where involvement of the court system was necessary. The impact of these institutional arrangements on achieving the objectives of this Standard are also issues in observance of Standards 11.5, 11.6 and 11.7. The Expert Team recommends the IAIS look closely at the issues facing insurance supervisors in this area.

Table 3.26 Standard 11.8

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	9	10	2	0	1	22	8.0
• Other OECD jurisdictions	4	3	0	0	0	7	8.7
• Other jurisdictions	6	27	5	1	0	39	6.9
• Total participating authorities	19	40	7	1	1	68	7.4
<b>Results by IAIS Region</b>							
• Americas	4	9	0	0	0	13	7.9
• Asia-Oceania	5	10	0	0	0	15	8.0
• Central, Eastern Europe and Transcaucasia	5	3	3	0	0	11	7.5
• Middle East and North Africa	1	5	2	0	0	8	6.6
• Offshore and Caribbean Islands	1	6	1	1	0	9	6.2
• Sub-Saharan Africa	0	1	0	0	0	1	7.0
• Western Europe	3	6	1	0	1	11	7.6
• Total participating authorities	19	40	7	1	1	68	7.4

**Standard 11.9: The supervisor, or another responsible body in the jurisdiction, takes action to enforce all the sanctions that have been imposed.**

116. The Expert Team found observance of this standard to be high. There is limited regional variance.

Table 3.27 Standard 11.9

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	17	2	0	0	3	22	9.7
• Other OECD jurisdictions	4	0	0	0	3	7	10.0
• Other jurisdictions	23	9	2	0	5	39	8.9
• Total participating authorities	44	11	2	0	11	68	9.2
<b>Results by IAIS Region</b>							
• Americas	13	0	0	0	0	13	10.0
• Asia-Oceania	7	2	2	0	4	15	8.4
• Central, Eastern Europe and Transcaucasia	7	4	0	0	0	11	8.9
• Middle East and North Africa	6	1	0	0	1	8	9.6
• Offshore and Caribbean Islands	4	3	0	0	2	9	8.7
• Sub-Saharan Africa	1	0	0	0	0	1	10.0
• Western Europe	6	1	0	0	4	11	9.6
• Total participating authorities	44	11	2	0	11	68	9.2

**Standard 11.10: The supervisor ensures consistency in the way insurers and individuals are sanctioned, so that similar violations and weaknesses attract similar sanctions.**

117. Most supervisory authorities are observed or largely observed, with five supervisory authorities partly observed and two not observed. There is limited regional variance.
118. The biggest challenge for observance is the absence of a formal process for ensuring consistent application of sanctions for similar violations and weaknesses. A large number of supervisors appear to focus on informal mechanisms. The Expert Team believes that a clear and well documented process is essential for meeting the objective of this standard.



Table 3.28 Standard 11.10

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
<b>Results by Nature of Jurisdiction</b>							
• FSB jurisdictions	11	9	1	0	1	22	8.4
• Other OECD jurisdictions	4	2	0	1	0	7	7.7
• Other jurisdictions	18	16	4	1	0	39	7.9
• Total participating authorities	33	27	5	2	1	68	8.0
<b>Results by IAIS Region</b>							
• Americas	5	7	1	0	0	13	7.9
• Asia-Oceania	8	6	1	0	0	15	8.4
• Central, Eastern Europe and Transcaucasia	6	4	1	0	0	11	8.4
• Middle East and North Africa	6	1	0	1	0	8	8.4
• Offshore and Caribbean Islands	3	4	2	0	0	9	7.3
• Sub-Saharan Africa	0	1	0	0	0	1	7.0
• Western Europe	5	4	0	1	1	11	7.8
• Total participating authorities	33	27	5	2	1	68	8.0

## Annex 1: IAIS Members Participation Rates

IAIS Member	Participant	Nature of Jurisdiction			IAIS Region						
		FSB	Other OECD	Other	Americas	Asia-Oceania	Central, Eastern Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe
Africa – CIMA				X						X	
Albania				X			X				
Argentina		X			X						
Armenia	X			X			X				
Aruba				X					X		
Australia – APRA	X	X				X					
Australia – PHIAAC	X	X				X					
Australia (NSW)		X				X					
Austria			X								X
Azerbaijan				X			X				
Bahamas	X			X					X		
Bahrain				X				X			
Bangladesh	X			X		X					
Barbados				X					X		
Belarus (Republic of )				X			X				
Belgium			X								X
Belgium			X								X
Belize	X			X					X		
Bermuda				X					X		
Bhutan	X			X		X					
Botswana				X						X	

IAIS Member	Participant	Nature of Jurisdiction			IAIS Region						
		FSB	Other OECD	Other	Americas	Asia-Oceania	Central, Eastern Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe
Brazil - ANS		X			X						
Brazil - SUSEP	X	X			X						
British Virgin Islands				X					X		
Brunei Darussalam				X		X					
Bulgaria				X		X					
Burundi				X						X	
Cambodia				X		X					
Canada - OSFI		X			X						
Canada (FICOM)		X			X						
Canada (Québec)	X	X			X						
Cape Verde				X						X	
Cayman Islands, BWI	X			X					X		
Chile	X		X		X						
China		X				X					
China, Hong Kong	X	X				X					
Chinese Taipei	X			X		X					
Colombia	X			X	X						
Costa Rica	X			X	X						
Curaçao and Sint Maarten				X					X		
Cyprus				X							X
Czech Republic			X				X				

IAIS Member	Nature of Jurisdiction			IAIS Region							
	Participant	FSB	Other OECD	Other	Americas	Asia-Oceania	Central, Eastern Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe
Denmark	x		x								x
Ecuador				x	x						
Egypt	x			x				x			
EIOPA				x							x
El Salvador				x	x						
Estonia			x				x				
Finland - Authority	x		x								x
Finland - Ministry			x								x
France - ACPR	x	x									x
Georgia	x			x			x				
Germany - BAFIN	x	x									x
Germany - Ministry		x									x
Ghana				x						x	
Gibraltar	x			x					x		
Guatemala				x	x						
Guernsey	x		x						x		
Guinea				x						x	
Hungary	x		x				x				
Iceland			x								x
India		x				x					
Indonesia		x				x					
Ireland			x								x

IAIS Member	Participant	Nature of Jurisdiction			IAIS Region						
		FSB	Other OECD	Other	Americas	Asia-Oceania	Central, Eastern Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe
Isle of Man				X					X		
Israel			X				X				
Italy		X									X
Jamaica				X					X		
Japan	X	X				X					
Jersey			X						X		
Jordan	X			X				X			
Kazakhstan				X			X				
Kenya				X						X	
Korea (Republic of)	X	X				X					
Kosovo				X			X				
Latvia	X			X			X				
Lebanon				X				X			
Lesotho				X						X	
Liechtenstein				X							X
Lithuania	X			X			X				
Luxembourg	X		X								X
Macau	X			X		X					
Macedonia (Republic of)	X			X			X				
Malawi				X						X	
Malaysia	X			X		X					
Malaysia (Labuan)	X			X					X		

IAIS Member	Nature of Jurisdiction			IAIS Region							
	Participant	FSB	Other OECD	Other	Americas	Asia-Oceania	Central, Eastern Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe
Maldives (Republic of)				X		X					
Malta	X			X							X
Mauritius (Republic of)				X						X	
Mexico		X			X						
Moldova (Republic of)	X			X			X				
Mongolia				X		X					
Montenegro	X			X			X				
Morocco	X			X				X			
Namibia				X						X	
Nepal	X			X		X					
Netherlands - DNB	X	X									X
Netherlands - AFM		X									X
New Zealand	X		X			X					
Nigeria				X						X	
Norway			X								X
Pakistan				X		X					
Palestine	X			X				X			
Panama				X	X						
Papua New Guinea - BPNG				X		X					
Papua New Guinea - DFT	X			X		X					

IAIS Member	Participant	Nature of Jurisdiction			IAIS Region							
		FSB	Other OECD	Other	Americas	Asia-Oceania	Central, Eastern Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe	
Paraguay				X	X							
Peru	X			X	X							
Philippines				X		X						
Poland			X				X					
Portugal			X								X	
Qatar	X			X				X				
Romania	X			X			X					
Russia	X	X					X					
Rwanda				X						X		
Samoa	X			X					X			
San Marino	X			X							X	
Saudi Arabia		X						X				
Serbia (Republic of)				X			X					
Singapore	X	X				X						
Slovakia			X				X					
Slovenia			X				X					
South Africa	X	X								X		
Spain	X	X									X	
Sri Lanka	X			X		X						
Sultanate of Oman	X			X				X				
Suriname				X	X							
Swaziland				X						X		
Sweden	X		X								X	

IAIS Member	Nature of Jurisdiction			IAIS Region							
	Participant	FSB	Other OECD	Other	Americas	Asia-Oceania	Central, Eastern Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe
Switzerland	x	x									x
Tanzania				x						x	
Thailand				x		x					
Trinidad & Tobago				x					x		
Tunisia	x			x				x			
Turkey	x	x					x				
Turks & Caicos, BWI	x			x					x		
Uganda				x						x	
United Arab Emirates				x				x			
United Arab Emirates - Dubai International Financial Centre (DIFC)	x			x				x			
United Kingdom - FCA		x									x
United Kingdom - PRA		x									x
Uruguay	x			x	x						
USA, FIO		x			x						
USA, FRB		x			x						
USA, NAIC											
USA, California	x	x			x						
USA, Connecticut	x	x			x						
USA, Missouri	x	x			x						



IAIS Member	Participant	Nature of Jurisdiction			IAIS Region							
		FSB	Other OECD	Other	Americas	Asia-Oceania	Central, Eastern Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe	
USA, Nebraska	x	x			x							
USA, Ohio	x	x			x							
USA, Texas	x	x			x							
Uzbekistan				x			x					
Vanuatu	x			x					x			
Vietnam				x		x						
Zambia				x							x	
<b>Participating Jurisdictions by Category</b>	68	22	8	38	13	15	11	8	9	1	11	
<b>Total Jurisdictions by Category</b>	150	35	23	92	22	28	25	12	18	18	27	
<b>Participation Rate</b>	42%	49%	35%	41%	36%	54%	44%	67%	50%	6%	41%	