



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

**REPORT FROM THE EXPERT TEAM CONDUCTING THE
SELF-ASSESSMENT AND PEER REVIEW OF ICPs 18 AND 19**

May 2017

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. 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. In addition to active participation of its Members, the IAIS benefits from input in select IAIS activities from Observers representing international institutions, professional associations and insurance and reinsurance companies, as well as consultants and other professionals.

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), founding member and co-parent of the Joint Forum, along with the Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO), 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 IAIS Secretariat in consultation with the Expert Team Conducting the Self-Assessment and Peer Review of ICPs 18 and 19.

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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 this mission, the IAIS identifies implementation of the IAIS Insurance Core Principles (ICPs) by insurance supervisors as one of its strategic priorities.
3. The IAIS has undertaken a thematic assessment programme providing Members with a tool to assess their current level of implementation.
4. Determining the ICP observance level and, as a result, identifying gaps in ICP implementation and observance, is the first critical step for implementation.
5. The Self-Assessment and Peer Review (SAPR) programme assesses the current levels of ICP observance by Members, taking into account regulatory frameworks and supervisory practices. It contributes to strengthening ICP observance and understanding.
6. Supervisors who participate in the SAPR programme receive a confidential individual jurisdiction report. This report provides a comprehensive overview of the Member's ICP observance included in the thematic review. This report can assist in the development of an action plan either independently or with partners and with the self-assessment component of assessments conducted by the World Bank or International Monetary Fund. The IAIS bylaws encourage Member participation in the SAPR process.
7. This SAPR covers the thematic topic of **Market Conduct**. ICPs included as part of this SAPR are:
 - ICP 18 (Intermediaries)
 - ICP 19 (Conduct of Business)
8. In addition to providing a valuable tool for supervisory authorities looking to enhance ICP observance, the SAPR programme also
 - Provides valuable feedback to the IAIS as part of a feedback loop on its 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 ICP implementation.
9. The Expert Team conducting this SAPR consisted of Alastair Tosh (UK - FCA), Michael Grist (World Bank), Leanne Jackson (South Africa), Harald Eschmann (Germany), and Tim Mullen (USA – NAIC). Their work was supported by Christina Urias as the external specialist and Conor Donaldson and Carole Lin from the IAIS Secretariat.
10. The Expert Team would like to acknowledge the support received throughout 2015 / 16 from the Implementation Committee (IC), the Financial Stability and Technical Committee (FSTC) and the Market Conduct Working Group (MCWG).

Assessment Methodology and SAPR Process

Methodology

11. The ICPs set forth the objectives of insurance regulation and supervision and are the basis for assessing the regulatory framework and supervisory practices within a jurisdiction. The Assessment Methodology contained within the ICPs sets out the factors that should be considered when using or implementing these ICPs and describes how observance should be evaluated.
12. The framework described by the ICPs is general, recognising that supervisors require flexibility to determine how to achieve the objectives in their particular domestic context (eg legal and market structure). The Standards set forth requirements that are fundamental to the implementation of each ICP and provide the basis for assessing observance.
13. The SAPR follows the assessment methodology set out in the introductory paragraphs of the 2011 ICPs:

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 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.

14. Determining ICP observance requires a bottom up assessment; that is, the assessment must begin by assessing observance of the standards. Like the ICPs, the Standards should be assessed using 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.

SAPR Process

15. The SAPR process can be broken into multiple steps. First, a detailed, web-enabled assessment questionnaire is developed by an External Specialist with extensive experience in conducting similar exercises [eg Review of Standards and Codes (ROSC), and Financial Sector Assessment Program (FSAP)].
16. An Expert Team, composed of senior supervisors from IAIS Member jurisdictions 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 Working Parties for comment.

17. Once the Expert Team has approved the final questionnaire, the questionnaire is sent to all IAIS Members through an on-line survey tool. Members then submit responses through the tool. Responses are initially assessed against quantitative rating criteria. The results are then subject to peer review by the Expert Team. Based on this initial assessment and peer review, the IAIS Secretariat prepares draft individual jurisdiction reports for each participating Member.
18. Draft individual jurisdiction reports are then sent to Members in order to provide an opportunity to review their responses and the resulting assessment, and to submit comments for inclusion in the report. Corrections to factual misinterpretations are also accepted. The Expert Team reviews any comments or corrections provided by the insurance supervisory authority before issuing a final individual report. The final individual Member reports are forwarded to the respective authority.
19. It is important to note that IAIS Members only respond to the questionnaires – they do not self-rate (ie 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.
20. On the basis of all responses received to the self-assessment and the final assessment reports, an aggregate report is drafted by the IAIS Secretariat based on the discussions of the Expert Team and with the support from the External Specialist. The aggregate report contains assessment results on a regional level and provides an overview and analysis of the Expert Team's findings. The IAIS Implementation Committee (IC) and relevant working groups are invited to provide input to the report. After a review with necessary revisions by the Expert Team, the aggregate report is then submitted to the IC for approval before being submitted to the Executive Committee for formal approval. The final aggregate report is available to the public and on the IAIS website.

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 the IAIS and its partners, as well as IAIS Members, could take to enhance ICP observance and understanding.
22. The objectives for the thematic SAPR on ICPs 18 and 19 were to:
- identify the 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;¹
 - identify findings that should be communicated to the Executive Committee (EC), the IC and the FSTC in support of IAIS work in developing strong standards and securing effective implementation into supervisory practices;
 - complement the IMF and WB FSAP process and Financial Stability Board (FSB) peer reviews; and
 - identify and analyse regional and global implementation.
23. A total of 69 authorities (44% of the IAIS membership) participated in the SAPR. The participation rate was highest among supervisors from FSB Member jurisdictions.² Every IAIS region was represented.³
24. The assessment questionnaire consisted of 88 questions covering 20 Standards.
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.
26. Moreover, the Expert Team recognises that conduct of business supervision is continually challenged by the changing environment in which insurance products are marketed and distributed. As a result, approaches to conduct of business supervision have had to evolve rapidly.
27. Some of the most common challenges to observance include:
- I) Focus on traditional distribution models**
28. The Expert Team feels the ICPs are drafted primarily to address traditional distribution models.
29. Since 2011, distribution modes and models have changed significantly. The results from this assessment, when analysed against the results from the financial inclusion assessment, raise the question of whether or not licensing the modes of distribution of insurance products is too heavily focused on traditional distribution models. This could impact access to

¹ The SAPR process is a desktop exercise. The Expert Team accepts the Members' responses in good faith.

² When calculating participation by membership category, NAIC participants are counted as one jurisdiction (USA).

³ 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.

insurance, but raises the risk that people are purchasing insurance from unlicensed entities (eg certain embedded insurance products). The emergence of aggregator sites as a tool for consumers is also a significant challenge for supervisors.

30. Any review of the ICPs should consider how to ensure that the Standard establishes a robust and implementable Standard for licensing and supervision of intermediaries, recognising that modes of distribution continue to evolve.

II) *Expectations established in Guidance*

31. These Standards are clearly principles based. However, when conducting the assessment, assessors must take into account the Guidance to have a clear picture of the objective of the Standard. If there are elements within the Guidance that are essential for observing or meeting the objective, these should be captured within the Standard.
32. Standard 18.1 establishes that all intermediaries should be licensed. The Guidance to Standard 18.1 makes it clear that this licensing of intermediaries should be a robust process. If the Expert Team were only to assess the Standard without considering the Guidance, the Observance could be achieved with a licensing requirement without any substantive rigour.

III) *Proportionality*

33. The decision to remove the “essential / advanced” criteria within the ICPs in 2011, plus the variety of different practices and market approaches for distribution of insurance products, places more emphasis on the supervisor to understand how to take a proportional approach.
34. The IAIS is currently reviewing the ICPs, including the introduction and assessment methodology, as well as the concept of proportionality. Review of these ICPs (and potential revisions to the ICP Introduction) should ensure they align with the discussions of the Supervisory Material Review Task Force.

IV) *Relationship between regulators*

35. When there are multiple regulators (eg twin peaks models / or when telecommunications or payments systems supervisors are involved), the role of market conduct supervisors in supervising the insurer or intermediary should be explicit within the Standards.

V) *Clearer separation of intermediary / insurer in ICP 19*

36. The relationship between ICP 18 and ICP 19 could be simplified. The inclusion of Standards from ICP 19 dealing with Intermediaries into ICP 18 could simplify the relationship between ICP 18 and ICP 19.
37. Observance levels of the ICPs do not disclose any significant regional differences or significant differences amongst FSB – non-FSB jurisdictions. However, as noted in the detailed breakdown of results, there are some Standards where observance levels are lower.
38. Tables 1.1 and 1.2 show the detailed summary results. The final column of the tables shows an index, which is designed to assist in comparing the relative levels of observance of the various ICPs, categories of jurisdictions, and (Section 3) 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).⁴

Table 1.1 ICPs 18 and 19 Results by Nature of Jurisdiction

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
ICP 18							
FSB jurisdictions	5	15	2	0	0	22	7.4
Other OECD jurisdictions	0	7	1	0	0	8	6.6
Other jurisdictions	2	31	6	0	0	39	6.7
<i>Total participating authorities</i>	7	53	3	0	0	69	6.9
ICP 19 – Part 1							
FSB jurisdictions	5	16	1	0	0	22	7.5
Other OECD jurisdictions	0	6	2	0	0	8	6.3
Other jurisdictions	0	33	6	0	0	39	6.5
<i>Total participating authorities</i>	5	55	9	0	0	69	6.8
ICP 19 – Part 2							
FSB jurisdictions	1	19	2	0	0	22	6.9
Other OECD jurisdictions	0	5	3	0	0	8	5.9
Other jurisdictions	0	30	9	0	0	39	6.3
<i>Total participating authorities</i>	1	54	14	0	0	69	6.4

⁴ 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.

Table 1.2 ICPs 18 and 19 Results by IAIS Region

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
ICP 18							
Americas	0	9	1	0	0	10	6.7
Asia-Oceania	4	6	2	0	0	12	7.5
Central, Eastern Europe and Transcaucasia	0	9	4	0	0	13	6.1
Middle East and North Africa	1	6	1	0	0	8	7.0
Offshore and 1Caribbean Is7lands	0	8	0	0	0	8	7.0
Sub-Saharan Africa	1	5	0	0	0	6	7.5
Western Europe	1	10	1	0	0	12	7.0
<i>Total participating authorities</i>	7	53	9	0	0	69	6.9
ICP 19 – Part 1							
Americas	4	5	1	0	0	10	7.9
Asia-Oceania	1	9	2	0	0	12	6.8
Central, Eastern Europe and Transcaucasia	0	11	2	0	0	13	6.5
Middle East and North Africa	0	6	2	0	0	8	6.3
Offshore and Caribbean Islands	0	7	1	0	0	8	6.6
Sub-Saharan Africa	0	6	0	0	0	6	7.0
Western Europe	0	11	1	0	0	12	6.8
<i>Total participating authorities</i>	5	55	9	0	0	69	6.8
ICP 19 – Part 2							
Americas	0	7	3	0	0	10	6.1
Asia-Oceania	1	8	3	0	0	12	6.5
Central, Eastern Europe and Transcaucasia	0	10	3	0	0	13	6.3
Middle East and North Africa	0	6	2	0	0	8	6.3
Offshore and Caribbean Islands	0	7	1	0	0	8	6.6
Sub-Saharan Africa	0	5	1	0	0	6	6.5
Western Europe	0	11	1	0	0	12	6.8
<i>Total participating authorities</i>	1	54	14	0	0	69	6.4

2. Member Participation

Table 2.1 Participation in SAPRs by Nature of Jurisdiction

	ICPs 1 and 2	ICP 23	ICPs 4,5,7 and 8	ICPs 9, 10 and 11	ICPs 13 and 24	ICPs 18 and 19	IAIS Members	Participation Rate (%) for ICPs 18 and 19
FSB jurisdictions	25	25	23	22	24	22	35	51%
Other OECD jurisdictions	14	10	10	8	15	8	22	36%
Other jurisdictions	43	24	36	38	38	39	91	43%
<i>Total participating authorities</i>	82	59	69	68	77	69	148	44%

Table 2.2 Participation in SAPRs by IAIS Region

	ICPs 1 and 2	ICP 23	ICPs 4, 5, 7 and 8	ICPs 9, 10 and 11	ICPs 13 and 24	ICPs 18 and 19	IAIS Members	Participation Rate (%) for ICPs 18 and 19
Americas	15	16	14	13	14	10	20	30%
Asia-Oceania	12	7	14	15	12	12	28	43%
Central, Eastern Europe and Transcaucasia	11	7	9	11	13	13	25	52%
Middle East and North Africa	5	3	5	8	4	8	13	62%
Offshore and Caribbean Islands	11	6	6	9	13	8	18	44%
Sub-Saharan Africa	10	6	6	1	6	6	18	33%
Western Europe	18	14	15	11	15	12	26	46%
<i>Total participating authorities</i>	82	59	69	68	77	69	148	44%

39. In October 2014, the IAIS changed its bylaws. Amongst the changes, the amended bylaws state that Members commit to “undergo periodic self-assessments and peer reviews” [Article 6 (6) (c)]. As Members become aware of this expectation, the number of Members participating in the SAPR may increase. When invitations for future assessments are sent out, the IC should ensure that this expectation is clearly communicated.

40. 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.

41. However, it is important to note 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 18

ICP 18 Intermediaries

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

42. Seven supervisory authorities are Observed, 53 are Largely Observed, 9 are Partly Observed and none are Not Observed.
43. Observance levels are generally consistent across regions, with very limited variance in the distribution between observed, largely observed and partly observed.
44. Guidance 18.0.26 states specifically which ICPs also apply to the supervision of intermediaries. The Standards then go on to discuss specific topics (eg governance, but there are multiple examples) covered already by ICPs. Consideration should be given to whether to clarify the relationship with other ICPs or Standards that could or should apply to Intermediaries.

Table 3.1 ICP 18 Summary of Results

ICP 18 Results	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	5	15	2	0	0	22	7.4
Other OECD jurisdictions	0	7	1	0	0	8	6.6
Other jurisdictions	2	31	6	0	0	39	6.7
<i>Total participating authorities</i>	7	53	9	0	0	69	6.9
By IAIS Region							
Americas	0	9	1	0	0	10	6.7
Asia-Oceania	4	6	2	0	0	12	7.5
Central, Eastern Europe and Transcaucasia	0	9	4	0	0	13	6.1
Middle East and North Africa	1	6	1	0	0	8	7.0
Offshore and Caribbean Islands	0	8	0	0	0	8	7.0
Sub-Saharan Africa	1	5	0	0	0	6	7.5
Western Europe	1	10	1	0	0	12	7.0
<i>Total participating authorities</i>	7	53	9	0	0	69	6.9
By Standard, total participating authorities							
Standard 18.1	38	27	4	0	0	69	8.5
Standard 18.2	25	15	28	1	0	69	6.8

Standard 18.3	35	26	8	0	0	69	8.2
Standard 18.4	26	24	8	11	0	69	6.7
Standard 18.5	28	32	6	3	0	69	7.7
Standard 18.6	48	10	5	5	1	69	8.3
Standard 18.7	39	28	2	0	0	69	8.6

Standard 18.1: The supervisor ensures that insurance intermediaries are required to be licensed.

45. Observance levels for this Standard are relatively high, with nearly all supervisors either Observed or Largely Observed.
46. The Standard is very broad and is easily Observed (eg the Supervisor or other licensing authority could theoretically issue a license after payment of a fee and be considered observed). The Guidance implies however that this is not the intent and that licensing should include some substantive elements. These substantive elements could be drawn from the Guidance to give the Standard greater emphasis.
47. Moreover, the drafting of the Standard is unclear in who is actually required to license insurance intermediaries. While it is clear that multiple approaches can exist for licensing, the insurance supervisor remains the supervisor for insurers.
48. In addition, developments within the insurance business with respect to new business models and new approaches to distribution are not clearly within scope of this ICP. For example, to license a mobile operator who has insurance products that are provided as part of a mobile phone contract.

Table 3.2 Standard 18.1

ICP 18.1	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	11	9	2	0	0	22	8.2
Other OECD jurisdictions	3	5	0	0	0	8	8.1
Other jurisdictions	24	13	2	0	0	39	8.7
<i>Total participating authorities</i>	38	27	4	0	0	69	8.5
By IAIS Region							
Americas	3	6	1	0	0	10	7.6
Asia-Oceania	6	5	1	0	0	12	8.3
Central, Eastern Europe and Transcaucasia	7	4	2	0	0	13	8.2
Middle East and North Africa	6	2	0	0	0	8	9.3
Offshore and Caribbean Islands	6	2	0	0	0	8	9.3
Sub-Saharan Africa	4	2	0	0	0	6	9.0
Western Europe	6	6	0	0	0	12	8.5

<i>Total participating authorities</i>	38	27	4	0	0	69	8.5
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Standard 18.2: The supervisor ensures that insurance intermediaries licensed in its jurisdiction are subject to ongoing supervisory review.

49. The role of the supervisor in meeting this Standard is not clear. It is likely the Standard is drafted to accommodate multiple regulatory approaches to the licensing and regulation of intermediaries, but the objective of the Standard is unclear.
50. Moreover, a literal reading of the Standard establishes a very low bar for observance. It is unclear whether there is an expectation placed on the supervisor to ensure that the on-going review is robust.
51. The Expert Team relied on the Guidance to ask questions concerning the robustness of supervision. Based on the distribution in Table 3.3, it is clear that supervisory review in a large number of jurisdictions remains a challenge.
52. Consideration should be given to whether the Standard could be strengthened and clarified. In addition, greater support for implementation activities should be considered. .

Table 3.3 Standard 18.2

ICP 18.2	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	11	7	4	0	0	22	8.0
Other OECD jurisdictions	1	1	6	0	0	8	5.1
Other jurisdictions	13	7	18	1	0	39	6.4
<i>Total participating authorities</i>	25	15	28	1	0	69	6.8
By IAIS Region							
Americas	4	4	2	0	0	10	7.6
Asia-Oceania	8	3	1	0	0	12	8.8
Central, Eastern Europe and Transcaucasia	1	1	10	1	0	13	4.4
Middle East and North Africa	3	0	5	0	0	8	6.3
Offshore and Caribbean Islands	4	2	2	0	0	8	7.8
Sub-Saharan Africa	3	0	3	0	0	6	7.0
Western Europe	2	5	5	0	0	12	6.3
<i>Total participating authorities</i>	25	15	28	1	0	69	6.8

Standard 18.3: The supervisor requires insurance intermediaries to possess appropriate levels of professional knowledge and experience, integrity and competence.

53. Observance of this Standard is strong, with a large majority of participating authorities Observed or Largely Observed.

54. The Expert Team notes that it is not clear whether the expectation established by this Standard reflects an on-going requirement or an “at licensing” requirement. While one can assume that it is an on-going requirement, the Standard is not explicit in this respect. ICP 5 (and Standard 5.3) explicitly state that the supervisor should ensure on-going suitability of senior management, board members and persons in key control functions.

Table 3.4 Standard 18.3

ICP 18.3	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	14	6	2	0	0	22	8.6
Other OECD jurisdictions	1	6	1	0	0	8	7.0
Other jurisdictions	20	14	5	0	0	39	8.2
<i>Total participating authorities</i>	35	26	8	0	0	69	8.2
By IAIS Region							
Americas	5	5	0	0	0	10	8.5
Asia-Oceania	8	3	1	0	0	12	8.8
Central, Eastern Europe and Transcaucasia	5	4	4	0	0	13	7.2
Middle East and North Africa	6	1	1	0	0	8	8.9
Offshore and Caribbean Islands	2	6	0	0	0	8	7.8
Sub-Saharan Africa	3	2	1	0	0	6	8.0
Western Europe	6	5	1	0	0	12	8.3
<i>Total participating authorities</i>	35	26	8	0	0	69	8.2

- **Standard 18.4: The supervisor requires that insurance intermediaries apply appropriate corporate governance.**

55. A number of questions emerged from jurisdictions regarding the intent of this Standard. Most common was whether or not the Standard is aimed at all intermediaries or a particular set of intermediaries. Specifically, the importance of proportionality in terms of corporate governance should be emphasized.

56. The relationship between this Standard and ICP 7 could be clarified. Further, this Standard would appear to be very focussed on traditional models of distribution. It is unclear whether the Standard would be applicable for newer, non-traditional models such as aggregator sites or with the distribution of insurance products through decentralised means such as mobile networks.

Table 3.5 Standard 18.4

ICP 18.4**By Nature of Jurisdiction**

FSB jurisdictions
 Other OECD jurisdictions
 Other jurisdictions
Total participating authorities

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	6	12	1	3	0	22	6.7
Other OECD jurisdictions	3	1	1	3	0	8	5.1
Other jurisdictions	17	11	6	5	0	39	6.9
<i>Total participating authorities</i>	26	24	8	11	0	69	6.7
By IAIS Region							
Americas	1	7	0	2	0	10	5.9
Asia-Oceania	6	3	2	1	0	12	7.4
Central, Eastern Europe and Transcaucasia	4	2	2	5	0	13	4.8
Middle East and North Africa	5	1	2	0	0	8	8.1
Offshore and Caribbean Islands	4	3	1	0	0	8	8.1
Sub-Saharan Africa	2	4	0	0	0	6	8.0
Western Europe	4	4	1	3	0	12	6.0
<i>Total participating authorities</i>	26	24	8	11	0	69	6.7

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

- the terms and conditions of business between themselves and the customer;
- the relationship they have with the insurers with whom they deal; and
- information on the basis on which they are remunerated where a potential conflict of interest exists

57. Observance of this Standard was strong, with a large majority either Observed or Largely Observed.

Table 3.6 Standard 18.5

ICP 18.5**By Nature of Jurisdiction**

FSB jurisdictions
 Other OECD jurisdictions
 Other jurisdictions
Total participating authorities

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	10	12	0	0	0	22	8.4
Other OECD jurisdictions	2	6	0	0	0	8	7.8
Other jurisdictions	16	14	6	3	0	39	7.2
<i>Total participating authorities</i>	28	32	6	3	0	69	7.7
By IAIS Region							
Americas	6	3	1	0	0	10	8.5
Asia-Oceania	5	4	2	1	0	12	7.2

Central, Eastern Europe and Transcaucasia	4	8	0	1	0	13	7.4
Middle East and North Africa	5	1	2	0	0	8	8.1
Offshore and Caribbean Islands	2	5	0	1	0	8	6.9
Sub-Saharan Africa	2	3	1	0	0	6	7.5
Western Europe	4	8	0	0	0	12	8.0
<i>Total participating authorities</i>	28	32	6	3	0	69	7.7

Standard 18.6: The supervisor requires an Insurance intermediary who handles client monies to have sufficient safeguards in place to protect these funds.

58. Observance of this Standard was strong, with a large majority Observed.

Table 3.7 Standard 18.6

ICP 18.6	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	19	0	1	1	1	22	8.8
Other OECD jurisdictions	6	1	0	1	0	8	8.4
Other jurisdictions	23	9	4	3	0	39	7.9
<i>Total participating authorities</i>	48	10	5	5	1	69	8.3
By IAIS Region							
Americas	9	0	0	1	0	10	9.0
Asia-Oceania	8	1	2	1	0	12	7.9
Central, Eastern Europe and Transcaucasia	7	2	2	2	0	13	7.1
Middle East and North Africa	4	3	0	1	0	8	7.6
Offshore and Caribbean Islands	7	1	0	0	0	8	9.6
Sub-Saharan Africa	4	2	0	0	0	6	9.0
Western Europe	9	1	1	0	1	12	8.4
<i>Total participating authorities</i>	48	10	5	5	1	69	8.3

Standard 18.7: The supervisor takes appropriate supervisory action against licensed insurance intermediaries, where necessary, and has powers to take action against those individuals or entities that are carrying on Insurance intermediation without the necessary licence.

59. Observance of this Standard was mixed, with a distribution of observance levels across the categories.

60. The relationship with other regulatory authorities should also be clarified. The role of the insurance supervisor may differ in instances where multiple regulatory authorities could be involved.

Table 3.8 Standard 18.7

ICP 18.7	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	17	5	0	0	0	22	9.3
Other OECD jurisdictions	1	7	0	0	0	8	7.4
Other jurisdictions	21	16	2	0	0	39	8.5
<i>Total participating authorities</i>	39	28	2	0	0	69	8.6
By IAIS Region							
Americas	7	3	0	0	0	10	9.1
Asia-Oceania	7	5	0	0	0	12	8.8
Central, Eastern Europe and Transcaucasia	4	8	1	0	0	13	7.7
Middle East and North Africa	6	2	0	0	0	8	9.3
Offshore and Caribbean Islands	5	2	1	0	0	8	8.5
Sub-Saharan Africa	2	4	0	0	0	6	8.0
Western Europe	8	4	0	0	0	12	9.0
<i>Total participating authorities</i>	39	28	2	0	0	69	8.6

ICP 19

ICP 19 Conduct of Business

The supervisor sets requirements for the conduct of the business of insurance to ensure customers are treated fairly, both before a contract is entered into and through to the point at which all obligations under a contract have been satisfied.

61. For this assessment, ICP 19 is divided into two parts. Part 1 assesses the Standards against the requirements for insurers. Part 2 assesses the Standards against the requirements for intermediaries. Where the Standards did not apply to Intermediaries, authorities were assessed only for insurers. This is clearly indicated by the absence of a Part 2 column.

62. A large majority of supervisors are Largely Observed for this ICP, but application of the principle to insurers was stronger than its application to intermediaries. This could reflect institutional arrangements within jurisdictions or could be a reflection of challenges with implementation.

63. A general comment noted by some participants in the SAPR is the delineation between intermediaries and insurers in this ICP and whether the architecture supports clarity of the

objectives of these ICPs. Clarifying the applicability of this ICP could support a clearer assessment through additional granularity.

64. In addition, it was noted that the application of this Standard to others involved in the lifecycle of a contract, eg adjusters, was not clear.

Table 3.11 ICP 19 Summary of Results

ICP 19 – Part 1	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	5	16	1	0	0	22	7.5
Other OECD jurisdictions	0	6	2	0	0	8	6.3
Other jurisdictions	0	33	6	0	0	39	6.5
<i>Total participating authorities</i>	5	55	9	0	0	69	6.8
By IAIS Region							
Americas	4	5	1	0	0	10	7.9
Asia-Oceania	1	9	2	0	0	12	6.8
Central, Eastern Europe and Transcaucasia	0	11	2	0	0	13	6.5
Middle East and North Africa	0	6	2	0	0	8	6.3
Offshore and Caribbean Islands	0	7	1	0	0	8	6.6
Sub-Saharan Africa	0	6	0	0	0	6	7.0
Western Europe	0	11	1	0	0	12	6.8
<i>Total participating authorities</i>	5	55	9	0	0	69	6.8
By Standard, total participating authorities							
Standard 19.1	40	20	7	2	0	69	8.2
Standard 19.2	21	33	14	1	0	69	7.2
Standard 19.3	24	31	13	1	0	69	7.4
Standard 19.4	13	41	14	1	0	69	6.9
Standard 19.5	18	39	11	1	0	69	7.2
Standard 19.6	17	35	11	3	3	69	6.7
Standard 19.7	19	28	9	4	9	69	6.1
Standard 19.8	27	32	9	1	0	69	7.7
Standard 19.9	25	32	11	1	0	69	7.5
Standard 19.10	27	32	9	1	0	69	7.7
Standard 19.11	69	0	0	0	0	69	10.0
Standard 19.12	19	35	11	3	1	69	6.9
Standard 19.13	32	20	12	5	0	69	7.4

ICP 19 – Part 2**By Nature of Jurisdiction**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	1	19	2	0	0	22	6.9
Other OECD jurisdictions	0	5	3	0	0	8	5.9
Other jurisdictions	0	30	9	0	0	39	6.3
<i>Total participating authorities</i>	1	54	14	0	0	69	6.4

By IAIS Region

Americas	0	7	3	0	0	10	6.1
Asia-Oceania	1	8	3	0	0	12	6.5
Central, Eastern Europe and Transcaucasia	0	10	3	0	0	13	6.3
Middle East and North Africa	0	6	2	0	0	8	6.3
Offshore and Caribbean Islands	0	7	1	0	0	8	6.6
Sub-Saharan Africa	0	5	1	0	0	6	6.5
Western Europe	0	11	1	0	0	12	6.8
<i>Total participating authorities</i>	1	54	14	0	0	69	6.4

By Standard, total participating authorities

Standard 19.1	42	19	4	4	0	69	8.2
Standard 19.2	10	33	22	4	0	69	6.1
Standard 19.4	24	38	7	0	0	69	7.7
Standard 19.5	16	40	13	0	0	69	7.1
Standard 19.6	14	36	13	5	1	69	6.4
Standard 19.7	20	27	6	9	7	69	6.0
Standard 19.10	14	29	21	5	0	69	6.2
Standard 19.11	59	0	0	10	0	69	8.6
Standard 19.12	12	38	15	3	1	69	6.5

Standard 19.1: The supervisor requires insurers and intermediaries to act with due skill, care and diligence when dealing with customers.

65. Observance of this Standard was strong. However, it is worth noting that some jurisdictions are Not Observed for its application to intermediaries.
66. The Expert Team notes that Guidance 19.1.1 states that insurers and intermediaries should “discharge their duties in a way that can reasonably be expected from a prudent person in a like position and under similar circumstances”.
67. The concept of a prudent person is not always clear and is a specific legal concept within some jurisdictions. Consideration should be given to whether the Standard could be strengthened or the concept of prudent person clarified.

Table 3.12 Standard 19.1

ICP 19.1 – Part 1

By Nature of Jurisdiction

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	15	5	2	0	0	22	8.8
Other OECD jurisdictions	3	3	1	1	0	8	6.9
Other jurisdictions	22	12	4	1	0	39	8.2
<i>Total participating authorities</i>	40	20	7	2	0	69	8.2

By IAIS Region

Americas	7	2	1	0	0	10	8.8
Asia-Oceania	6	5	0	1	0	12	7.9
Central, Eastern Europe and Transcaucasia	6	6	1	0	0	13	8.2
Middle East and North Africa	4	2	2	0	0	8	7.8
Offshore and Caribbean Islands	4	2	2	0	0	8	7.8
Sub-Saharan Africa	4	1	1	0	0	6	8.5
Western Europe	9	2	0	1	0	12	8.7
<i>Total participating authorities</i>	40	20	7	2	0	69	8.2

ICP 19.1 – Part 2

By Nature of Jurisdiction

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	17	4	1	0	0	22	9.2
Other OECD jurisdictions	3	4	1	0	0	8	7.8
Other jurisdictions	22	11	2	4	0	39	7.8
<i>Total participating authorities</i>	42	19	4	4	0	69	8.2

By IAIS Region

Americas	8	0	1	1	0	10	8.4
Asia-Oceania	9	2	0	1	0	12	8.7
Central, Eastern Europe and Transcaucasia	6	5	1	1	0	13	7.6
Middle East and North Africa	4	2	1	1	0	8	7.3
Offshore and Caribbean Islands	6	1	1	0	0	8	8.9
Sub-Saharan Africa	1	5	0	0	0	6	7.5
Western Europe	8	4	0	0	0	12	9.0
<i>Total participating authorities</i>	42	19	4	4	0	69	8.2

Standard 19.2: The supervisor requires insurers and intermediaries to establish and implement policies and procedures on the fair treatment of customers that are an integral part of their business culture.

68. Observance of this Standard is mixed, for its application to both insurers and intermediaries.

69. The Expert Team relied on the rich guidance to inform its assessment on policies and procedures in terms of the steps that supervisors could take to achieve this objective. This could partially explain the Guidance.

70. The reference to business culture adds some ambiguity to this Standard and some question emerged as to whether the Standard could end after the reference to “fair treatment of customers”.

71. The Standard should be reviewed.

Table 3.13 Standard 19.2

ICP 19.2 – Part 1	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	13	7	2	0	0	22	8.5
Other OECD jurisdictions	0	4	3	1	0	8	5.0
Other jurisdictions	8	22	9	0	0	39	6.9
<i>Total participating authorities</i>	21	33	14	1	0	69	7.2
By IAIS Region							
Americas	6	3	0	1	0	10	8.1
Asia-Oceania	6	4	2	0	0	12	8.0
Central, Eastern Europe and Transcaucasia	1	8	4	0	0	13	6.3
Middle East and North Africa	2	4	2	0	0	8	7.0
Offshore and Caribbean Islands	1	5	2	0	0	8	6.6
Sub-Saharan Africa	1	3	2	0	0	6	6.5
Western Europe	4	6	2	0	0	12	7.5
<i>Total participating authorities</i>	21	33	14	1	0	69	7.2

ICP 19.2 – Part 2	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	8	8	5	1	0	22	7.1
Other OECD jurisdictions	0	2	5	1	0	8	4.3
Other jurisdictions	2	23	12	2	0	39	5.9
<i>Total participating authorities</i>	10	33	22	4	0	69	6.1

By IAIS Region

Americas	4	2	4	0	0	10	7.0
Asia-Oceania	4	6	1	1	0	12	7.2
Central, Eastern Europe and Transcaucasia	0	5	6	2	0	13	4.5
Middle East and North Africa	1	5	2	0	0	8	6.6
Offshore and Caribbean Islands	1	3	4	0	0	8	5.9
Sub-Saharan Africa	0	4	2	0	0	6	6.0
Western Europe	0	8	3	1	0	12	5.7
<i>Total participating authorities</i>	10	33	22	4	0	69	6.1

Standard 19.3: The supervisor requires insurers to take into account the interests of different types of customers when developing and marketing insurance products.

72. Observance of this Standard was low, relative to other Standards within this assessment.

73. The Expert Team notes that there are instances where certain types of intermediaries in certain lines of business may be involved in the design and marketing of insurance products.

74. Consideration should be given to whether the Standard could be strengthened to clarify whether intermediaries should be included under this Standard.

Table 3.14 Standard 19.3**ICP 19.3****By Nature of Jurisdiction**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	11	8	3	0	0	22	8.1
Other OECD jurisdictions	1	5	1	1	0	8	6.1
Other jurisdictions	12	18	9	0	0	39	7.2
<i>Total participating authorities</i>	24	31	13	1	0	69	7.4
By IAIS Region							
Americas	5	4	1	0	0	10	8.2
Asia-Oceania	8	3	1	0	0	12	8.8
Central, Eastern Europe and Transcaucasia	0	8	4	1	0	13	5.5
Middle East and North Africa	3	4	1	0	0	8	7.8
Offshore and Caribbean Islands	3	3	2	0	0	8	7.4
Sub-Saharan Africa	2	2	2	0	0	6	7.0
Western Europe	3	7	2	0	0	12	7.3
<i>Total participating authorities</i>	24	31	13	1	0	69	7.4

Standard 19.4: The supervisor requires insurers and intermediaries to promote products and services in a manner that is clear, fair and not misleading.

75. A majority of supervisors were Largely Observed for this Standard.

76. The Expert Team did not have any specific comments on the Standard or Guidance.

Table 3.15 Standard 19.4

ICP 19.4 – Part 1

By Nature of Jurisdiction

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	7	14	1	0	0	22	7.8
Other OECD jurisdictions	0	5	2	1	0	8	5.4
Other jurisdictions	6	22	11	0	0	39	6.6
<i>Total participating authorities</i>	13	41	14	1	0	69	6.9

By IAIS Region

Americas	5	4	1	0	0	10	8.2
Asia-Oceania	2	6	4	0	0	12	6.5
Central, Eastern Europe and Transcaucasia	0	11	1	1	0	13	6.2
Middle East and North Africa	3	4	1	0	0	8	7.8
Offshore and Caribbean Islands	1	2	5	0	0	8	5.5
Sub-Saharan Africa	1	3	2	0	0	6	6.5
Western Europe	1	11	0	0	0	12	7.3
<i>Total participating authorities</i>	13	41	14	1	0	69	6.9

ICP 19.4 – Part 2

By Nature of Jurisdiction

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	15	7	0	0	0	22	9.0
Other OECD jurisdictions	0	8	0	0	0	8	7.0
Other jurisdictions	9	23	7	0	0	39	7.2
<i>Total participating authorities</i>	24	38	7	0	0	69	7.7

By IAIS Region

Americas	5	5	0	0	0	10	8.5
Asia-Oceania	4	6	2	0	0	12	7.5
Central, Eastern Europe and Transcaucasia	3	8	2	0	0	13	7.2
Middle East and North Africa	4	3	1	0	0	8	8.1
Offshore and Caribbean Islands	1	6	1	0	0	8	7.0
Sub-Saharan Africa	2	3	1	0	0	6	7.5
Western Europe	5	7	0	0	0	12	8.3
<i>Total participating authorities</i>	24	38	7	0	0	69	7.7

Standard 19.5: The supervisor sets requirements for insurers and intermediaries with regard to the timing, delivery, and content of information provided to customers at point of sale.

77. Observance for this Standard was mixed, both for insurers and intermediaries.

78. The language “the supervisor requires” is used throughout the Standards under ICP 19. However 19.5 states “the supervisor sets requirements”. It is not clear what the rationale is for this specific Standard and whether assessors should adjust the assessment to only determine whether or not requirements have been set.

79. The assessment on the solvency ICPs also encountered the issue of whether or not to use “the supervisor requires” or the “supervisor establishes requirements”. In that assessment, the Expert Team concluded that “the supervisor establishes requirements” is weaker than the language “the supervisor requires”.

Table 3.16 Standard 19.5

ICP 19.5 – Part 1	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	11	9	2	0	0	22	8.2
Other OECD jurisdictions	0	7	1	0	0	8	6.6
Other jurisdictions	7	23	8	1	0	39	6.7
<i>Total participating authorities</i>	18	39	11	1	0	69	7.2
By IAIS Region							
Americas	4	5	1	0	0	10	7.9
Asia-Oceania	5	4	3	0	0	12	7.5
Central, Eastern Europe and Transcaucasia	2	9	2	0	0	13	7.0
Middle East and North Africa	2	4	1	1	0	8	6.5
Offshore and Caribbean Islands	0	6	2	0	0	8	6.3
Sub-Saharan Africa	1	3	2	0	0	6	6.5
Western Europe	4	8	0	0	0	12	8.0
<i>Total participating authorities</i>	18	39	11	1	0	69	7.2

ICP 19.5 – Part 2	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	10	12	0	0	0	22	8.4
Other OECD jurisdictions	0	6	2	0	0	8	6.3
Other jurisdictions	6	22	11	0	0	39	6.6
<i>Total participating authorities</i>	16	40	13	0	0	69	7.1
By IAIS Region							
Americas	2	6	2	0	0	10	7.0

Asia-Oceania	6	3	3	0	0	12	7.8
Central, Eastern Europe and Transcaucasia	2	8	3	0	0	13	6.8
Middle East and North Africa	3	3	2	0	0	8	7.4
Offshore and Caribbean Islands	0	6	2	0	0	8	6.3
Sub-Saharan Africa	0	5	1	0	0	6	6.5
Western Europe	3	9	0	0	0	12	7.8
<i>Total participating authorities</i>	16	40	13	0	0	69	7.1

Standard 19.6: The supervisor requires insurers and intermediaries to ensure that, where customers receive advice before concluding an insurance contract, such advice is appropriate, taking into account the customer's disclosed circumstances.

80. A majority of supervisors are largely observed.

81. Policy discussions in the area of disclosure and the provision of advice have progressed in recent years. There was some question of whether the Standard could be reviewed to better reflect developments internationally on disclosure.

Table 3.17 Standard 19.6

ICP 19.6 – Part 1	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	9	10	2	0	1	22	7.6
Other OECD jurisdictions	1	2	3	1	1	8	4.5
Other jurisdictions	7	23	6	2	1	39	6.5
<i>Total participating authorities</i>	17	35	11	3	3	69	6.7
By IAIS Region							
Americas	5	3	1	1	0	10	7.5
Asia-Oceania	4	5	2	1	0	12	6.9
Central, Eastern Europe and Transcaucasia	1	7	3	0	2	13	5.5
Middle East and North Africa	3	3	1	1	0	8	6.9
Offshore and Caribbean Islands	1	6	1	0	0	8	7.0
Sub-Saharan Africa	1	3	1	0	1	6	5.8
Western Europe	2	8	2	0	0	12	7.0
<i>Total participating authorities</i>	17	35	11	3	3	69	6.7

ICP 19.6 – Part 2	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	6	13	1	2	0	22	7.0

Other OECD jurisdictions	0	7	1	0	0	8	6.6
Other jurisdictions	8	16	11	3	1	39	6.1
<i>Total participating authorities</i>	14	36	13	5	1	69	6.4
By IAIS Region							
Americas	1	6	3	0	0	10	6.4
Asia-Oceania	5	4	1	2	0	12	6.8
Central, Eastern Europe and Transcaucasia	1	6	5	1	0	13	5.5
Middle East and North Africa	4	2	1	1	0	8	7.3
Offshore and Caribbean Islands	1	5	2	0	0	8	6.6
Sub-Saharan Africa	1	4	1	0	0	6	7.0
Western Europe	1	9	0	1	1	12	6.1
<i>Total participating authorities</i>	14	36	13	5	1	69	6.4

Standard 19.7: The supervisor requires insurers and intermediaries to ensure that, where customers receive advice before concluding an insurance contract, any potential conflicts of interest are properly managed.

82. A large number of supervisors were Not Observed for this Standard as it relates to intermediaries.

83. Policy discussions in the area of advice and disclosure have progressed in recent years. There was some question of whether or not the Standard could be reviewed to better reflect developments internationally on how to manage potential conflicts where customers receive advice.

Table 3.19 Standard 19.7

ICP 19.7 – Part 1

By Nature of Jurisdiction

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	9	9	0	0	4	22	7.0
Other OECD jurisdictions	0	6	1	1	0	8	5.8
Other jurisdictions	10	13	8	3	5	39	5.7
<i>Total participating authorities</i>	19	28	9	4	9	69	6.1

By IAIS Region

Americas	4	3	0	2	1	10	6.1
Asia-Oceania	5	3	2	1	1	12	6.6
Central, Eastern Europe and Transcaucasia	3	6	2	0	2	13	6.2
Middle East and North Africa	3	2	1	1	1	8	6.0
Offshore and Caribbean Islands	2	4	1	0	1	8	6.5
Sub-Saharan Africa	0	4	1	0	1	6	5.3
Western Europe	2	6	2	0	2	12	5.8
<i>Total participating authorities</i>	19	28	9	4	9	69	6.1

ICP 19.7 – Part 2**By Nature of Jurisdiction**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	8	10	1	2	1	22	7.0
Other OECD jurisdictions	1	3	1	3	0	8	4.4
Other jurisdictions	11	14	4	4	6	39	5.7
<i>Total participating authorities</i>	20	27	6	9	7	69	6.0

By IAIS Region

Americas	2	5	0	3	0	10	5.5
Asia-Oceania	6	3	1	1	1	12	7.1
Central, Eastern Europe and Transcaucasia	3	5	2	1	2	13	5.6
Middle East and North Africa	4	1	2	0	1	8	6.9
Offshore and Caribbean Islands	0	5	0	2	1	8	4.4
Sub-Saharan Africa	2	3	0	0	1	6	6.8
Western Europe	3	5	1	2	1	12	5.8
<i>Total participating authorities</i>	20	27	6	9	7	69	6.0

Standard 19.8: The supervisor requires insurers to:

- service policies appropriately through to the point at which all obligations under the policy have been satisfied;
- disclose to the policyholder^[2] information on any contractual changes during the life of the contract; and
- disclose to the policyholder further relevant information depending on the type of insurance product.

84. Observance was high for this Standard, with a large majority mixed between Observed and Largely Observed.

85. The Expert Team had no specific comments on the Standard or the Guidance.

Table 3.20 Standard 19.8**ICP 19.8****By Nature of Jurisdiction**

	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
FSB jurisdictions	15	6	1	0	0	22	8.9
Other OECD jurisdictions	1	6	1	0	0	8	7.0
Other jurisdictions	11	20	7	1	0	39	7.1
<i>Total participating authorities</i>	27	32	9	1	0	69	7.7

By IAIS Region

Americas	7	3	0	0	0	10	9.1
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Asia-Oceania	6	4	2	0	0	12	8.0
Central, Eastern Europe and Transcaucasia	1	9	3	0	0	13	6.5
Middle East and North Africa	2	5	0	1	0	8	6.9
Offshore and Caribbean Islands	3	3	2	0	0	8	7.4
Sub-Saharan Africa	1	3	2	0	0	6	6.5
Western Europe	7	5	0	0	0	12	8.8
<i>Total participating authorities</i>	27	32	9	1	0	69	7.7

Standard 19.9: The supervisor requires that insurers have policies and processes in place to handle claims in a timely and fair manner

86. A majority of supervisors were either Observed or Largely Observed.

87. In the assessment, the Expert Team was unclear why this Standard should only be limited to insurers. With some products it can be unclear who ultimately the insurer is and, further, policy holders may only deal with the intermediary.

Table 3.21 Standard 19.9

ICP 19.9	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	11	8	3	0	0	22	8.1
Other OECD jurisdictions	1	5	2	0	0	8	6.6
Other jurisdictions	13	19	6	1	0	39	7.4
<i>Total participating authorities</i>	25	32	11	1	0	69	7.5
By IAIS Region							
Americas	7	2	1	0	0	10	8.8
Asia-Oceania	4	6	2	0	0	12	7.5
Central, Eastern Europe and Transcaucasia	4	7	2	0	0	13	7.5
Middle East and North Africa	4	3	0	1	0	8	7.6
Offshore and Caribbean Islands	1	5	2	0	0	8	6.6
Sub-Saharan Africa	2	3	1	0	0	6	7.5
Western Europe	3	6	3	0	0	12	7.0
<i>Total participating authorities</i>	25	32	11	1	0	69	7.5

Standard 19.10: The supervisor requires that insurers and intermediaries have policies and processes in place to handle complaints in a timely and fair manner.

88. Observance for this Standard was mixed, with lower observance for intermediaries. This could be related to the limited role for insurance supervisors in the supervision of intermediaries.

89. The Expert Team had no specific comment on the Standard or the Guidance.

Table 3.22 Standard 19.10

ICP 19.10 – Part 1	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	14	5	3	0	0	22	8.5
Other OECD jurisdictions	2	5	1	0	0	8	7.4
Other jurisdictions	11	22	5	1	0	39	7.3
<i>Total participating authorities</i>	27	32	9	1	0	69	7.7
By IAIS Region							
Americas	6	3	1	0	0	10	8.5
Asia-Oceania	5	4	3	0	0	12	7.5
Central, Eastern Europe and Transcaucasia	5	7	1	0	0	13	7.9
Middle East and North Africa	2	3	2	1	0	8	6.1
Offshore and Caribbean Islands	2	5	1	0	0	8	7.4
Sub-Saharan Africa	2	3	1	0	0	6	7.5
Western Europe	5	7	0	0	0	12	8.3
<i>Total participating authorities</i>	27	32	9	1	0	69	7.7

ICP 19.10 – Part 2	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	7	11	2	2	0	22	7.0
Other OECD jurisdictions	0	1	6	1	0	8	3.9
Other jurisdictions	7	17	13	2	0	39	6.2
<i>Total participating authorities</i>	14	29	21	5	0	69	6.2
By IAIS Region							
Americas	1	6	1	2	0	10	5.6
Asia-Oceania	4	4	4	0	0	12	7.0
Central, Eastern Europe and Transcaucasia	1	5	5	2	0	13	5.0
Middle East and North Africa	3	2	2	1	0	8	6.5
Offshore and Caribbean Islands	0	6	2	0	0	8	6.3
Sub-Saharan Africa	1	3	2	0	0	6	6.5
Western Europe	4	3	5	0	0	12	6.8
<i>Total participating authorities</i>	14	29	21	5	0	69	6.2

Standard 19.11: Legislation identifies provisions relating to privacy protection under which insurers and intermediaries are allowed to collect, hold, use or communicate personal information of customers to third parties.

90. Observance for this Standard was very high for both insurers and intermediaries.

91. The Expert Team had no specific comment on the Standard or the Guidance.

Table 3.23 Standard 19.11

ICP 19.11 – Part 1	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	22	0	0	0	0	22	10.0
Other OECD jurisdictions	8	0	0	0	0	8	10.0
Other jurisdictions	39	0	0	0	0	39	10.0
<i>Total participating authorities</i>	69	0	0	0	0	69	10.0
By IAIS Region							
Americas	10	0	0	0	0	10	10.0
Asia-Oceania	12	0	0	0	0	12	10.0
Central, Eastern Europe and Transcaucasia	13	0	0	0	0	13	10.0
Middle East and North Africa	8	0	0	0	0	8	10.0
Offshore and Caribbean Islands	8	0	0	0	0	8	10.0
Sub-Saharan Africa	6	0	0	0	0	6	10.0
Western Europe	12	0	0	0	0	12	10.0
<i>Total participating authorities</i>	69	0	0	0	0	69	10.0

ICP 19.11 – Part 2	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	21	0	0	1	0	22	9.5
Other OECD jurisdictions	7	0	0	1	0	8	8.8
Other jurisdictions	31	0	0	8	0	39	7.9
<i>Total participating authorities</i>	59	0	0	10	0	69	8.6
By IAIS Region							
Americas	10	0	0	0	0	10	10.0
Asia-Oceania	8	0	0	4	0	12	6.7
Central, Eastern Europe and Transcaucasia	12	0	0	1	0	13	9.2
Middle East and North Africa	6	0	0	2	0	8	7.5
Offshore and Caribbean Islands	6	0	0	2	0	8	7.5
Sub-Saharan Africa	5	0	0	1	0	6	8.3
Western Europe	12	0	0	0	0	12	10.0

<i>Total participating authorities</i>	59	0	0	10	0	69	8.6
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Standard 19.12: The supervisor requires insurers and intermediaries to have policies and procedures for the protection of private information on customers.

92. A large number of supervisors were Partly Observed with respect to intermediaries. It is clear that implementation of this Standard is a challenge.

93. The Expert Team had no specific comment on the Standard or the Guidance.

Table 3.24 Standard 19.12

ICP 19.12 – Part 1	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	12	7	2	0	1	22	8.0
Other OECD jurisdictions	0	6	2	0	0	8	6.3
Other jurisdictions	7	22	7	3	0	39	6.5
<i>Total participating authorities</i>	19	35	11	3	1	69	6.9
By IAIS Region							
Americas	5	3	2	0	0	10	7.9
Asia-Oceania	5	3	3	1	0	12	6.9
Central, Eastern Europe and Transcaucasia	3	9	1	0	0	13	7.5
Middle East and North Africa	3	3	1	1	0	8	6.9
Offshore and Caribbean Islands	0	6	1	1	0	8	5.8
Sub-Saharan Africa	0	4	2	0	0	6	6.0
Western Europe	3	7	1	0	1	12	6.9
<i>Total participating authorities</i>	19	35	11	3	1	69	6.9

ICP 19.12 – Part 2	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	5	13	2	1	1	22	6.8
Other OECD jurisdictions	0	4	4	0	0	8	5.5
Other jurisdictions	7	21	9	2	0	39	6.5
<i>Total participating authorities</i>	12	38	15	3	1	69	6.5
By IAIS Region							
Americas	0	7	3	0	0	10	6.1
Asia-Oceania	4	4	2	2	0	12	6.3
Central, Eastern Europe and Transcaucasia	1	8	4	0	0	13	6.3
Middle East and North Africa	3	3	1	1	0	8	6.9

Offshore and Caribbean Islands	0	6	2	0	0	8	6.3
Sub-Saharan Africa	1	3	2	0	0	6	6.5
Western Europe	3	7	1	0	1	12	6.9
<i>Total participating authorities</i>	12	38	15	3	1	69	6.5

Standard 19.13: The supervisor publicly discloses information that supports the fair treatment of customers.

94. Observance of this Standard was mixed, with a number of supervisors Not Observed, largely due to the absence of any disclosure of information by the supervisor.

Table 3.25 Standard 19.13

ICP 19.13	Observed	Largely observed	Partly observed	Not observed	Not assessed	Total	Index
By Nature of Jurisdiction							
FSB jurisdictions	17	4	1	0	0	22	9.2
Other OECD jurisdictions	2	4	2	0	0	8	7.0
Other jurisdictions	13	12	9	5	0	39	6.4
<i>Total participating authorities</i>	32	20	12	5	0	69	7.4
By IAIS Region							
Americas	7	2	1	0	0	10	8.8
Asia-Oceania	8	3	1	0	0	12	8.8
Central, Eastern Europe and Transcaucasia	5	5	2	1	0	13	7.2
Middle East and North Africa	2	2	1	3	0	8	4.8
Offshore and Caribbean Islands	1	2	4	1	0	8	5.0
Sub-Saharan Africa	1	4	1	0	0	6	7.0
Western Europe	8	2	2	0	0	12	8.5
<i>Total participating authorities</i>	32	20	12	5	0	69	7.4

Annex 1: IAIS Members and their Participation Rate

IAIS Member	Participant	Nature of Jurisdiction			IAIS Region						
		FSB	Other OECD	Others	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			X				
Argentina		X			X						
Armenia	X			X			X				
Aruba				X					X		
Australia – APRA		X				X					
Australia – ASIC	X	X				X					
Australia – PHIAC		X				X					
Australia – NSW		X				X					
Austria	X		X								X
Azerbaijan				X			X				
Bahamas	X			X					X		
Bahrain				X				X			
Bangladesh				X		X					
Barbados				X					X		
Belarus (Republic of)	X			X			X				
Belgium – NBB			X								X
Belgium – FSMA			X								X
Belize	X			X					X		
Bermuda				X					X		
Bhutan				X		X					
Botswana				X						X	
Brazil – ANS		X			X						
Brazil – SUSEP	X	X			X						
British Virgin Islands				X					X		
Brunei Darussalam				X		X					
Bulgaria				X			X				
Burundi	X			X						X	
Cambodia				X		X					
Canada – OSFI		X			X						
Canada (FICOM)		X			X						
Canada (Quebec)	X	X			X						
Cape Verde				X						X	
Cayman Islands BVI	X			X					X		
Chile	X		X		X						
China		X				X					
China, Hong Kong	X	X				X					
China, Macao	X			X		X					
Chinese Taipei	X			X		X					
Colombia				X	X						

IAIS Member	Participant	Nature of Jurisdiction			IAIS Region						
		FSB	Other OECD	Others	Americas	Asia-Oceania	Central, Eastern, Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe
Costa Rica	x			x	x						
Croatia				x			x				
Curaçao and Saint Maarten	x			x					x		
Cyprus				x							x
Czech Republic			x				x				
Denmark			x								x
Ecuador				x	x						
Egypt	x			x				x			
EIOPA				x							x
El Salvador				x	x						
Estonia			x				x				
Finland			x								x
Finland – Ministry			x								x
France	x	x									x
Georgia	x			x			x				
Germany – BAFIN	x	x									x
Germany – Ministry		x									x
Ghana				x						x	
Gibraltar				x					x		
Guatemala				x	x						
Guernsey	x			x					x		
Guinea				x						x	
Hungary			x				x				
Iceland			x								x
India		x					x				
Indonesia	x	x					x				
Ireland			x								x
Isle of Man	x			x					x		
Israel	x		x				x				
Italy		x									x
Jamaica	x			x					x		
Japan	x	x					x				
Jersey				x					x		
Jordan	x			x				x			
Kazakhstan				x			x				
Kenya	x			x						x	
Korea (Republic of)	x	x					x				
Kosovo	x			x			x				
Kuwait				x				x			
Latvia	x		x				x				
Lebanon	x			x				x			

IAIS Member	Participant	Nature of Jurisdiction			IAIS Region						
		FSB	Other OECD	Others	Americas	Asia-Oceania	Central, Eastern, Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe
Lesotho				X						X	
Liechtenstein	X			X							X
Lithuania				X			X				
Luxembourg	X		X								X
Macedonia (Republic of)				X			X				
Malawi				X						X	
Malaysia				X		X					
Malaysia (Labuan)	X			X					X		
Maldives (Republic of)				X		X					
Malta	X			X							X
Mauritius (Republic of)	X			X						X	
Mexico		X			X						
Moldova	X			X			X				
Mongolia				X		X					
Montenegro				X			X				
Morocco	X			X				X			
Mozambique				X			X				
Namibia	X			X						X	
Nepal	X			X		X					
Netherlands – DNB		X									X
Netherlands – AFM	X	X									X
New Zealand			X			X					
Nigeria				X						X	
Norway			X								X
Pakistan				X		X					
Palestine				X				X			
Panama				X	X						
Papua New Guinea – Bank	X			X		X					
Papua New Guinea – Treasury				X		X					
Paraguay				X	X						
Peru	X			X	X						
Philippines				X		X					
Poland	X		X				X				
Portugal			X								X
Qatar – QCB				X				X			
Romania				X			X				
Russia	X	X					X				
Rwanda				X						X	
Samoa				X					X		
San Marino	X			X							X

IAIS Member	Participant	Nature of Jurisdiction			IAIS Region						
		FSB	Other OECD	Others	Americas	Asia-Oceania	Central, Eastern, Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe
Saudi Arabia		x						x			
Serbia (Republic of)	x			x			x				
Seychelles				x						x	
Sierra Leone				x						x	
Singapore	x	x				x					
Slovakia	x		x				x				
Slovenia			x				x				
South Africa	x	x								x	
Spain	x	x									x
Sri Lanka	x			x		x					
Sultanate of Oman				x				x			
Suriname				x	x						
Swaziland	x			x						x	
Sweden	x		x								x
Switzerland	x	x									x
Tanzania				x						x	
Thailand				x		x					
Trinidad & Tobago				x					x		
Tunisia	x			x				x			
Turkey	x	x					x				
Turks & Caicos BVI				x					x		
Uganda				x						x	
United Arab Emirates – IA	x			x				x			
United Arab Emirates – Abu Dhabi				x				x			
United Arab Emirates – Dubai	x			x				x			
United Kingdom - FCA	x	x									x
United Kingdom – PRA		x									x
Uruguay				x	x						
USA, FIO		x			x						
USA, FRB		x			x						
USA, NAIC		x			x						
USA, California	x	x			x						
USA, Connecticut	x	x			x						
USA, District of Columbia		x			x						
USA, Missouri		x			x						
USA, Nebraska	x	x			x						
USA, New Jersey		x			x						
USA, Ohio	x	x			x						
USA, Texas	x	x			x						

IAIS Member	Participant	Nature of Jurisdiction			IAIS Region						
		FSB	Other OECD	Others	Americas	Asia-Oceania	Central, Eastern, Europe and Transcaucasia	Middle East and North Africa	Offshore and Caribbean Islands	Sub-Saharan Africa	Western Europe
USA, Washington		x			x						
Uzbekistan				x			x				
Vanuatu				x					x		
Vietnam				x		x					
Zambia				x						x	
Participating Jurisdictions by Category	69	22	8	39	10	12	13	8	8	6	12
Total Jurisdictions by Category	148	35	22	91	20	28	25	13	18	18	26
Participation Rate	44%	51%	36%	43%	30%	43%	52%	62%	44%	33%	46%