



FINANCIAL SERVICES
COMMISSION

**FINANCIAL SERVICES COMMISSION
INTERNAL CONTROL AND RISK MANAGEMENT SURVEY
TO BE COMPLETED BY ALL INSURANCE COMPANIES¹**

Company Name: _____

Instructions:

- These questions should be answered “as of today”
- Please note any significant changes impacting a particular area in the comments section
- For all “No” or “Partial” responses, please indicate in the comments section, the reason why the company does not comply with the question criteria
- For all “Yes” responses, please indicate in the comments section, the appropriate policy, procedure, committee etc. that permits the company’s compliance with the question criteria

¹ This survey is issued pursuant to section 10 of the Financial Services Commission Act, 2010-21.

Question	Response (Yes/No/Partial)	Comments (Mandatory for all responses)
A. Board of Directors		
1. The Board's size, qualifications, knowledge, skills and experience are adequate to fulfill its responsibilities.		
2. Corporate governance practices have been implemented and procedures have been developed to ensure directors comply.		
3. The Board is responsible for appointing the CEO, and approving the CEO's compensation.		
4. The Board reviews and approves corporate policies, strategies and objectives at least annually.		
5. The Board Committees in place provide independent and comprehensive oversight, and report regularly to the full Board of Directors (i.e. Investment and Loan, Conduct Review, and Audit Committees).		
6. Board Committees (i.e. Conduct Review Committee, Audit Committee, Investment Committee, etc.) have been established and they report to the full Board on a period basis. (Please provide frequency and details).		
7. Procedures are in place to orient new directors, and update existing directors, on their responsibilities as they relate to the company's business and related risks.		
8. The directors' compensation plan and tenure promotes long-term prudent decision-making that is in the best interests of the company.		

Question	Response (Yes/No/Partial)	Comments (Mandatory for all responses)
9. Procedures are in place to assess the effectiveness of the Board, its committees and individual performance (including the Chair) in carrying out their responsibilities. (Please provide supplementary information to support response).		
B. Senior Management		
1. The Board has delegated responsibility for developing policies and practices relating to strategic management, risk management, liquidity and funding management, capital management, the internal control environment and ethical business conduct to the CEO.		
2. Delegation and approval authorities are documented, reviewed and approved by the Board.		
3. The organizational structure is supported by the appropriate levels of management. (Attach a copy of a high level organizational chart).		
4. Senior Management committees are in place to oversee and manage significant business risks. (Identify the current committees in the comments section).		
5. Procedures are in place to assess the appropriateness of the qualifications, knowledge, skills and experience of the company's senior management, and its ability to fulfill its responsibilities.		
6. Procedures are in place to monitor compliance with laws, regulations and guidelines. (Please provide frequency and details of procedures).		

Question	Response (Yes/No/Partial)	Comments (Mandatory for all responses)
7. Procedures are in place to regularly review the company's control environment. (Please provide frequency and details of procedures).		
8. Management compensation plans promote prudent risk taking and are aligned with the long-term strategic objectives of the company. (Please provide frequency and details of procedures).		
9. Management practices promote sound corporate governance and ethical business conduct. (Please provide frequency and details of procedures).		
10. Procedures are in place for the Board (or a Committee of the Board) to review Senior Management performance.		
C. Internal Audit		
1. The Internal Audit department has the authority to carry out its reviews entity wide <i>and are independent of Management</i> .		
2. The head of the Internal Audit department has direct access to the CEO and the Board (or the Audit Committee).		
3. The Internal Audit department has adequate resources with the appropriate qualifications to carry out its mandate.		
4. The internal audit practices and methodologies employed follow generally accepted internal auditing standards.		

Question	Response (Yes/No/Partial)	Comments (Mandatory for all responses)
5. The annual internal audit plan clearly identifies the audit objectives and scope of work to be carried out. Audit approach and audit programs are designed and approved by Senior Internal Audit Personnel.		
6. Audit findings and recommendations are reported to management on a timely basis.		
7. Procedures are in place to ensure that internal audit findings and recommendations are followed-up and tracked subsequent to report issuance.		
8. A quality assurance process is in place to ensure that internal audit staff follow internal auditing standards of professional practice and utilize approved methodology in the execution of their reviews.		
9. Board or Audit Committee approval is required for the appointment and/or removal of the head of Internal Audit.		
10. The head of Internal Audit reports audit findings to the Board (or the Audit Committee) on a periodic basis.		

Question	Response (Yes/No/Partial)	Comments (Mandatory for all responses)
D. Risk Management Function		
1. A Risk Management function has been developed to oversee the management of the company's risks.		
2. The Risk Management function has the authority to carry out its responsibilities independently throughout the company.		
3. The Risk Management head has direct access to the CEO and the Board.		
4. The Risk Management function has adequate resources to carry out its responsibilities.		
5. The methodology employed by the Risk Management function adequately identifies the company's risks.		
6. Procedures are in place to develop and implement activities to control business risks where necessary.		
7. An independent review of the Risk Management function is carried out on a periodic basis. (Please provide frequency and details of procedures).		

Question	Response (Yes/No/Partial)	Comments (Mandatory for all responses)
E. Corporate Compliance Function		
1. The company has established a Corporate Compliance function to monitor the company's compliance with laws, regulations and guidelines. (This includes the Anti-Money Laundering guidelines).		
2. The Compliance Officer (or other individual with similar responsibilities) periodically follows-up with management on any compliance issues identified.		
3. The Compliance Officer (or other individual with similar responsibilities) has direct access to the CEO and the Board.		
4. The Compliance function possesses the resources and qualifications necessary to appropriately carry out its mandate.		
5. Procedures are in place to keep abreast of new legislation and its impact on the organization. (Please provide frequency and details of procedures).		
6. An independent review of the Compliance function is carried out on a periodic basis. (Please provide frequency and details of procedures).		

Question	Response (Yes/No/Partial)	Comments (Mandatory for all responses)
F. Financial Analysis Function²		
1. The Financial Analysis function within the organization provides recommendations on strategic business opportunities and management information system changes needed to enhance decision-making.		
2. The function has access to senior management and the Board as necessary.		
3. The function has adequate resources and appropriate qualifications to carry out its mandate.		
4. The management and board reports produced are accurate and timely, and include an appropriate level of performance indicators.		
5. An independent review of the Financial Analysis function is carried out on a periodic basis. (Please provide frequency and details of procedures).		

Person Completing Questionnaire: _____
(Please Print)

Date Completed: _____

Signature: _____

This survey should be initially completed by each insurer and submitted to the Commission no later than August 31, 2013. Thereafter, the company needs to submit the survey at least once every two years.

² This function performs in-depth analysis of operational results and reports to the management and board. This function is generally found as a separate unit.