

# IAIS Consultations

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Q-Nr.	Reference	Question
Q-1	9.0	<b>ICP 9 Supervisory Review and Reporting</b>  <b>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.</b>
Q-2	9.0.0	General Comments
Q-3	9.0.1	This Insurance Core Principle and its standards and guidance deal with off-site monitoring and on-site inspections (collectively referred to as "supervisory review") and the reporting to the supervisor by the insurer as required for the supervisory process. It should be noted that certain aspects of supervisory review and reporting are dealt with in other ICPs with respect to those ICPs' specific areas of focus. "On-site inspections" include any form of on-site interaction with the insurer.
Q-4	9.0.2	In applying this principle and these standards, it should be taken into account that, in some jurisdictions, responsibility is shared between more than one competent authority. Where this is the case, not all elements of the standards and guidance are necessarily applicable in full to each authority, although they apply in full to the jurisdiction as a whole. Relevant supervisors should cooperate with each other in the application of this ICP to ensure an appreciation of all risks that might be relevant to supervisory review and reporting on a jurisdiction basis. This is particularly important where prudential and conduct of business supervision is allocated to separate supervisors, taking into consideration that the intensity and focus of supervision may be different, even when within the same authority.
Q-5	9.0.3	This ICP and these standards apply to the supervision of insurers at the legal entity and the insurance group level. In applying this ICP, its standards and guidance material, the supervisor takes into account the nature, scale and complexity of the insurers.

## Supervisory powers

Q-6	9.1	<b>The supervisor has the necessary legal authority, powers and resources to perform off-site monitoring and conduct on-site inspections of insurers, and to require insurers to submit any information necessary for supervision. This includes monitoring and inspecting services and activities outsourced by the insurer.</b>
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Q-7	9.1.1	<p>The supervisor should ensure that adequate resources are allocated to supervisory review and reporting, to enable it to carry out a comprehensive assessment of risks and conduct, taking into account:</p> <ul style="list-style-type: none"> <li>• the nature, scale and complexity of the insurer; and</li> <li>• the objectives and strategies of the insurer, including its risk strategy and risk appetite as agreed by the Board.</li> </ul>
Q-8	9.1.2	<p>Services or activities that are outsourced by the insurer should be subject to the same level of supervisory review and reporting. The supervisor can do this through the insurer itself but should also have the ability to obtain information from, and conduct on-site inspections of, entities engaged in providing outsourced services or activities to the insurer, where necessary.</p>
Q-9	9.1.3	<p>Agreements between the insurer and entities providing the outsourced activities or services are drawn up in such a way that the supervisor's ability to conduct its supervisory activities is not restricted. Replace "...activities or services are drawn up ....." by ".....activities or services should be drawn up ....."</p>
Q-10	9.1.4	<p>The supervisory powers should enable the supervisor to cooperate with other relevant supervisors and authorities, such as a host supervisor or a supervisor of another sector, where necessary, in conducting its supervisory review and reporting activities.</p>
Q-11	9.1.5	<p>In those cases where the supervisor does not have direct supervisory powers over certain entities within the group – including non-regulated entities – the supervisor should have the power to apply an indirect approach, through the entities that it supervises in its jurisdiction, to achieve its supervisory purposes.</p>

## Framework for supervisory review and reporting

Q-12	9.2	<p><b>The supervisor has a documented framework for supervisory review and reporting including assessing the risks and conduct of insurers, which takes into account their nature, scale and complexity. 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 needed for each insurer. The framework uses the inputs from various sources, including off-site monitoring and on-site inspections, market analyses, horizontal reviews, previous risk and conduct assessments, and information gathered as a result of supervisory reporting requirements.</b></p>
Q-13	9.2.1	<p>The supervisor should establish both qualitative and quantitative methods for assessing insurers, in a consistent manner and on an on-going basis. The supervisor should develop monitoring tools to identify potential risks with insurers at the earliest possible time. Replace "with" by "to the"</p>
Q-14	9.2.2	<p>An overall objective of the framework is to appraise the insurer's current and prospective solvency and its treatment of customers. Toward this end, the supervisor compares the risk profile of the insurer with its risk-carrying capacity and seeks 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:</p> <ul style="list-style-type: none"> <li>• review the assets and liabilities (including off-balance sheet commitments);</li> <li>• evaluate the technical operations (e.g. actuarial methods, commercial policy, reinsurance policy);</li> <li>• evaluate the treatment of customers and determine whether unfair, unlawful or improper activities are being engaged in;</li> <li>• assess the accounting and internal control systems;</li> <li>• assess the insurer's compliance with supervisory requirements and form an opinion on the corporate culture, and on the effectiveness of the insurer's corporate governance and risk management; and</li> <li>• understand the insurer's organisation and any implications of belonging to a group.</li> </ul>

Q-15	9.2.3	<p>The framework should include the assessment of the potential impact that an insurer's failure would have on its policyholders, the insurance market, and the financial markets as a whole. The assessment of impact needs to take into account any relevant factors and should be done on a case-by-case basis.</p> <p>The requirement for an assessment of the potential impact of failure to policyholders and the insurance and financial markets is a very broad mandate. Is this meant to be done annually for all insurance companies? Does it ignore the likelihood of insolvency? Does it assume 100% default, 50%, 10% or 1%? Some jurisdictions would state that they manage the capital requirements so that there is never any impact (i.e. reserves and capital are sufficient to meet all guarantees). Is the assessment meant to be as routine as a generic statement like this? Should it also include the assessment of the resiliency of any guarantee funds or taxpayer backstop provisions?</p>
Q-16	9.2.4	<p>The framework should promote the supervisor's active early intervention, to enable the insurer's management to take appropriate action to mitigate risks and/or minimise current or future problems.</p> <p>The injunction to promote active, early supervisor intervention is also too broad, especially since it only focuses on minimizing risk to the company. If this is the only constraint, it will mean that higher capital and conservatism will be paid for by policyholders. Many regulators also have a mandate to promote an active and competitive market.</p>
Q-17	9.2.5	<p>The supervisor should have documented procedures and/or guidelines to ensure that appropriate supervisory review procedures are being consistently and regularly performed. Such procedures should allow for the appropriate level or depth of review commensurate with the nature, scale and complexity of the insurer.</p>
Q-18	9.2.6	<p>In order to evaluate areas of prospective risk, the supervisor should review and analyse the insurer's current and future business plans and strategy. This review should include the insurer's approach to its legal and regulatory obligations, its distribution model and its proposals for dealing with specific areas of risk.</p> <p>To what extent does this have to include business plans? Often an outright business plan is only provided at the setting up of an operation but not in-between. Therefore, this paragraph should be clarified.</p>
Q-19	9.2.7	<p>In establishing a plan for on-going supervisory review the supervisor should assess and determine the key areas of risk to which the insurer is exposed. The supervisory plan may include matters such as:</p> <ul style="list-style-type: none"> <li>• frequency and depth of off-site monitoring and on-site inspections;</li> <li>• scope of assessments;</li> <li>• frequency of meetings with the insurer's Board and Senior Management; and</li> <li>• depth of on-going financial and other analyses.</li> </ul> <p>We suggest the words "assess and determine" be replaced by "determine and assess", just to get the order right.</p>
Q-20	9.2.8	<p>Where an insurer has used an internal model or produced its own risk and solvency assessment (ORSA), the supervisor should use this information as input in establishing the overall supervisory plan for the insurer, and the scope and frequency of off-site monitoring and on-site inspections.</p>
Q-21	9.2.9	<p>The supervisory plan should be based on a level of appropriate priority and assessment of risk that has been identified and assigned to an insurer, according to the judgement of the supervisor, using the information, methodologies and tools at his disposal. This may mean that a supervisory plan for an individual insurer, such as a small, low risk entity, might indicate that (for example) no further action is to be taken.</p>
Q-22	9.2.10	<p>The supervisor should be able to process data in a timely, effective and comprehensive way. The supervisor should also have processes and procedures to collect and store reported data in an electronic format.</p>

Q-23	9.2.11	The framework should enable the supervisor to analyse trends and compare risk assessments against stress tests outcomes. The supervisor should assess the quality of the outcomes of the insurer's enterprise risk management framework for the identification and quantification of risks, and evaluate whether business lines or practices/processes show outcomes that support this assessment.
Q-24	9.2.12	The framework should enable on-site inspection and off-site monitoring activities to be coordinated. Accordingly, the results of the analyses should be documented and accessible to all involved staff within the supervisor.
Q-25	9.2.13	The framework for supervisory review by the group-wide supervisor should cover all entities identified within the scope of the group, with reference to ICP 23 Group-wide Supervision. The framework should include appropriate tools for supervisory review and reporting for all relevant entities.
Q-26	9.3	<b>The supervisor has a mechanism to periodically check that its supervisory framework pays due attention to the evolving nature, scale and complexity of risks that insurers are exposed to.</b>
Q-27	9.3.1	<p>The supervisory process is a cyclical one that takes a risk-based approach and includes:</p> <ul style="list-style-type: none"> <li>• analysis of reported and other relevant information;</li> <li>• developing and executing the supervisory plan;</li> <li>• feedback;</li> <li>• intervention/remedial action, where necessary; and</li> <li>• follow-up (including setting the intensity of assessment and up-dating the supervisory plan).</li> </ul> <p>It is proposed to fully align this paragraph with Module 3 (Supervisors) of the "Common Framework for the Supervision of Internationally Active Insurance Groups" (ComFrame). If the diagram is maintained, it is preferred that all elements mentioned in Module 3, are also captured here. Also, the diagram should be explained in more detail – why are some blocks darker than others, what is the purpose of the *. Offsite should start with a capital O. The diagram does not actually talk to or describe the standard, which deals with updating the supervisory framework. It explains the current supervisory process.</p>
Q-28	9.3.2	Individual supervisory staff should confer regularly with colleagues to ensure that all relevant information is being appropriately assessed and analysed, and to facilitate the identification of potential new risks or emerging market trends.
Q-29	9.3.3	The outcomes of the supervisory review and reporting activities should enable comparisons between insurers and assist in market-wide analyses.
Q-30	9.3.4	The supervisory processes and plans should be suitably flexible to enable them to adapt easily to domestic and global developments in, for example, legislation, the financial markets, and international standards.
Q-31	9.3.5	The framework should include sufficiently comprehensive and regular communication between the supervisor and insurers to achieve the supervisory objectives. This involves communication at senior levels and specialised areas within both the supervisor and insurers, and may include contact with non-regulated and parent entities.

## Supervisory Reporting

Q-32	9.4	<p><b>The supervisor:</b></p> <ul style="list-style-type: none"> <li>• <b>establishes documented requirements for the submission of regular qualitative and quantitative information on a timely basis from all insurers licensed in its jurisdiction;</b></li> <li>• <b>defines the scope, content and frequency of those reports and information;</b></li> <li>• <b>requires more frequent and/or more detailed additional information on a</b></li> </ul>
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**timely basis whenever there is a need; and**  
**• sets out the relevant principles and norms for supervisory reporting, in particular the accounting and consolidation standards to be used.**

Q-33	9.4.1	<p>The supervisor requires insurers to submit supervisory financial reports, which include at least a balance sheet and a statement of comprehensive income or an income statement, as appropriate, and reviews such information on a regular basis. The supervisor also requires and reviews information submitted by insurers relating to their corporate governance framework.</p> <p>What is meant by the term "supervisory financial reports"? Should it not simply be "financial reports"? The content is described later in the paragraph, and can further be prescribed by the supervisor. The word is dropped later on, e.g. in 9.4.6.</p>
Q-34	9.4.2	<p>The reporting requirements are a reflection of the supervisory needs and will thus vary according to overall market structure and conditions. They also take into account the situation at individual insurers and the way they control their risks (for example, asset/liability management, reinsurance policy, quality of governance, policy for managing conflicts of interest, policy on complaints handling, training standards). In particular, the supervisory framework ensures that information on changes that could materially impact the insurer's risk profile, financial position or treatment of its customers is obtained in a timely manner.</p>
Q-35	9.4.3	<p>In setting the requirements, the supervisor should strike a balance between the need for information for supervisory purposes and the administrative burden it puts on insurers.</p>
Q-36	9.4.4	<p>Reporting requirements should apply to all insurers licensed in a jurisdiction, and form the general basis for off-site monitoring. Depending on the nature, scale and complexity of the insurer and its customer profile, additional information may be requested from specific insurers on a case-by-case basis.</p>
Q-37	9.4.5	<p>In setting the reporting requirements, the supervisor may make a distinction between those for insurers incorporated in its jurisdiction and those for the branch operations in its jurisdiction of insurers incorporated in another jurisdiction.</p>
Q-38	9.4.6	<p>The supervisor should require insurers to utilise a consistent and clear set of instructions and definitions for any element in the financial statements or other required reports that is not self-evident, in order to maximise comparability.</p>
Q-39	9.4.7	<p>The group-wide supervisor should establish supervisory reporting requirements on a group-wide basis, indicating which group entity is responsible for the reporting. These requirements may include the submission of information on group entities in other jurisdictions. In the case of a host supervisor, this may include information on the impact on an insurer of being part of a group.</p>
Q-40	9.5	<p><b>In particular, the supervisor requires insurers to report:</b></p> <ul style="list-style-type: none"><li><b>• any off-balance sheet exposures;</b></li><li><b>• material outsourced functions and activities;</b></li><li><b>• any significant changes to their corporate governance; and</b></li></ul> <p><b>to promptly report any material changes or incidents that could affect their condition or customers.</b></p> <p>The particular reporting items listed as bullet points should be "Guidance" instead of "Standard" level.</p>
Q-41	9.5.1	<p>The supervisor may request and obtain information on any member of the insurance group, subject to applicable legal provisions and coordination with the supervisors of affected jurisdictions.</p>

Confidentiality requirement for information exchange across the jurisdictional border should be referred to.

Q-42	9.5.2	The supervisor should require an insurer which is part of a group to describe its group reporting structure, and to provide timely notification of any material changes to that structure and significant changes or incidents that could affect the soundness of the group. The description of the reporting structure should include information on the relationships between entities within the group, and on the nature and volume of intra-group transactions.
Q-43	9.5.3	The information submitted to the group-wide supervisor includes information on the structure of the group, business operation and financial position of material entities within the group, relationship among entities within the group including participation in other group entities and intra-group transactions with other entities, particularly an insurer, within the group.
Q-44	9.6	<p><b>The supervisor requires that:</b></p> <ul style="list-style-type: none"><li>• <b>the insurer's Board of Directors is ultimately responsible for ensuring the timely and accurate submission of the financial, statistical and other reports required;</b></li><li>• <b>inaccurate reporting is corrected as soon as possible;</b></li><li>• <b>certain reports and information are subject to independent (including audit and/or actuarial) review; and</b></li><li>• <b>an external audit opinion is provided, at a minimum, on annual financial statements.</b></li></ul> <p>Stating that certain reports and information be subject to independent review is very broad. It would be useful to state what type of reports must be subject to this, and also, what is meant by independent review. E.g. can the review be provided by another employee in the same insurer, but independent of whoever drafted the report, or should it be external to the insurer.</p>
Q-45	9.7	<p><b>The supervisor periodically reviews its reporting requirements, including consideration of additional requirements for certain insurers based on their nature, scale and complexity, to:</b></p> <ul style="list-style-type: none"><li>• <b>ascertain that they still serve their intended objectives; and</b></li><li>• <b>identify any gaps which need to be filled and ensure that these gaps are filled in an effective manner.</b></li></ul>

## Off-site monitoring

Q-46	9.8	<b>The supervisor monitors and supervises the insurers on an on-going basis, based on regular communication with the insurer, information obtained through supervisory reporting and analyses of market and other relevant information.</b>
Q-47	9.8.1	The supervisor should be proactive and forward-looking in conducting effective off-site monitoring, and not rely only on historical data. The results will inform the supervisory plan and help determine the content, nature, timing and frequency of on-site inspections as well as enable early detection of problems so that prompt corrective action can be taken before such problems become more serious.
Q-48	9.8.2	The supervisor should promptly analyse information received from insurers. Analysis by the supervisor helps to provide a deeper understanding of developing trends affecting an insurer and its customers, its risk tolerance and the effectiveness of its strategy. Analysis by business lines helps to provide insights into the insurer's risk/return profile and business model and practices.

Q-49	9.8.3	The supervisor establishes and follows written procedures for the analysis and monitoring of the supervisory reports that it receives. These may be conducted by individual supervisory staff using monitoring tools and/or specialised analysts/actuaries, as appropriate.
Q-50	9.8.4	The supervisor establishes procedures for assessing the valuations of assets, liabilities and technical provisions including reviewing and analysing actuarial reports and audit reports (whether internal or external) and other reports as necessary, both quantitative and qualitative.
Q-51	9.8.5	Off-site monitoring should provide an assessment of prospective risk-based analysis on various risk categories such as credit, market, pricing/underwriting, reserving, liquidity, operational, conduct of business, legal, strategic and reputational risk.
Q-52	9.8.6	Off-site monitoring should cover all material entities in a group, including non-regulated entities. Where the supervisor does not have direct supervisory power, or only limited power for the off-site monitoring of non-regulated entities, including a holding company, the supervisor should at a minimum review the soundness and potential adverse impact on the insurer of such non-regulated entities.
Q-53	9.8.7	Further examples of how the standards and guidance under Standard 9.8 can be pursued can be found in the Annex to this ICP.

### On-site inspection

Q-54	9.9	<b>The supervisor sets the objective and scope for on-site inspections, develops corresponding work programmes and conducts such inspections. On-site inspections are also an opportunity for the supervisor to periodically verify information it has received, including that obtained in supervisory reporting.</b>
Q-55	9.9.1	On-site inspection is closely related to the off-site monitoring process. It provides information that supplements the analysis of the reports submitted by the insurer to the supervisor, and enables the supervisor to detect problems that may not be detected through off-site monitoring. On-site inspection, however, also needs the support of market information derived from the analysis of the financial, statistical and other relevant information.
Q-56	9.9.2	An on-site inspection should begin with an overview of the insurer in order to properly plan and focus the fieldwork.
Q-57	9.9.3	On-site inspections can be customised and suited to the particular insurer, and to any detected problems. Nevertheless, the on-site inspection plan should remain indicative since new priorities might arise during the year.
Q-58	9.9.4	On-site inspections offer the supervisor the opportunity to interact with the Board Members, Senior Management and Key Persons in Control Functions. This enables the supervisor to assess their on-going suitability, the insurer's organisational culture, the quality of their corporate governance and internal controls and to explore the rationale behind their strategy and business plan.
Q-59	9.9.5	Important objectives in conducting an on-site inspection include reviewing the insurer's risk management processes and compliance with relevant insurance laws and regulations. This review helps the supervisor identify the strengths and weaknesses in the insurer's approach, and assess and analyse the risks to which an insurer and its customers are exposed.

Q-60	9.9.6	<p>The supervisor may delegate part of an on-site inspection to independent experts. If it does so, the supervisor should:</p> <ul style="list-style-type: none"> <li>• ensure there are adequate controls over their competence;</li> <li>• monitor their performance and retain the ability to take any necessary legal action against them;</li> <li>• be satisfied of their independence from the insurer; and</li> <li>• have regard to the consideration they give to the protection of the policyholders' interests.</li> </ul> <p>Consideration should also be given to confidentiality</p>
Q-61	9.9.7	<p>The frequency, scope and depth of on-site inspections should take account of the insurer's distribution model, the nature, size and sophistication of its customer base and its relative importance in the market. On-site inspections should be more frequent and more in depth when they concern insurers which are in a difficult financial position or where there is concern that their business practices pose a high risk of negative customer outcomes.</p>
Q-62	9.9.8	<p>The supervisor may conduct on-site inspections on either a full scale or on a partial basis so as to focus on areas of specific concern. A full-scale on-site inspection would be expected to include at least the following activities:</p> <ul style="list-style-type: none"> <li>• evaluation of the on-going effectiveness of the corporate governance structure including its risk management and internal control systems;</li> <li>• analysis of the nature of the insurer's key business activities (e.g. type of business written, customer base, distribution model(s) used);</li> <li>• analysis of the relationships with external entities, such as through outsourcing or with respect to other companies in the same group, including any resultant conflicts of interest;</li> <li>• analysis of the insurer's underwriting policy and reinsurance agreements;</li> <li>• assessment of the insurer's financial strength; and</li> <li>• assessment of the insurer's fair treatment of customers, including observance of conduct of business requirements and consumer regulations.</li> </ul> <p>Assessing fair treatment of customers may not be appropriate for a prudential regulator where it is the mandate of a market conduct regulator.</p>
Q-63	9.9.9	<p>Advance notice to the insurer is not required before conducting an on-site inspection although prior notice is normally given.</p>
Q-64	9.9.10	<p>Although the supervisor may not have the power to conduct on-site inspections of non-regulated entities, including a holding company within the group, it should review, at a minimum, the soundness and potential adverse impact on the insurer of such non-regulated entities. Similarly, where the group-wide supervisor does not have the power to conduct on-site inspection of a group entity in another jurisdiction, it should approach the local supervisor to propose a joint inspection or recommend that the local supervisor undertake such an inspection, when deemed necessary.</p>
Q-65	9.9.11	<p>Further examples of how the standards and guidance under Standard 9.9 can be pursued can be found in the Annex to this ICP.</p>

### Supervisory feedback and follow-up

Q-66	9.10	<p><b>The supervisor discusses with the insurer any relevant findings of the supervisory review. It follows up to check that required preventive or corrective actions have been taken by the insurer.</b></p>
Q-67	9.10.1	<p>The supervisor should provide appropriate feedback to the insurer, at the conclusion of the review at the very least, and issue written confirmation of the findings of the review and the actions required.</p>



**Q-68**      **9.10.2**      The insurer's willingness to address identified issues and the action subsequently taken should be considered in the on-going evaluation of the insurer and should be factored into the on-going supervisory plan.

**Annex**

**Examples of ways in which the Guidance in 9.8 and 9.9 can be pursued include the following:**

**Q-69**      **Annex**      General comments

**Q-70**      **A.**      The evaluation of the effectiveness of the corporate governance framework, including its risk management and internal control systems, can be done through:

- reviewing and analysing the minutes of the Board and its committees, the auditors' reports and, if any, actuaries' and electronic data processing audits;
- analysing the ownership structure and sources of capital funds;
- evaluating the suitability (fitness and propriety) and independence of the Board Members, Senior Management and Key Persons in Control Functions, their effectiveness, and their ability to acknowledge improvement needs and correct mistakes (especially after such needs or mistakes have been identified by the insurer, its auditors, or the supervisor and after changes of management and in the Board);
- examining the insurer's internal policies, processes and controls in order to assess the adequacy of these in light of the insurer's risk profile;
- examining the accounting procedures in order to assess accuracy of the financial and statistical information periodically sent to the supervisor and its compliance with the regulations; and
- evaluating the organisation and the management of the insurer.

**Q-71**      **B.**      Analyses of the nature of the insurer's activities can be done through:

- analysing the major categories of business, the policyholders and the geographical spread thereof;
- analysing the distribution model/s used;
- examining the business plans and meeting with the management to get information about the plans for the future;
- analysing material contracts;
- analysing the commercial policy of the insurer, in particular, policy conditions and commissions paid to the intermediaries; and
- evaluating the reinsurance cover and its security. In particular, the reinsurance cover should be appropriate with regards to the financial means of the insurer and the risks it covers.

**Q-72**      **C.**      Analyses of the relationships with external entities can be done through:

- analysing organisational charts, the group structures and the intragroup links;
- analysing the relationships with major investors and among branches and subsidiaries;
- analysing intragroup transactions, fees and other arrangements, including identifying any instances of cross-subsidization of businesses within a group or non-arms length fees and charges;
- analysing agreements with external service providers;
- identifying any financial problems originating from any entity in the group to which the insurer belongs; and
- identifying of any conflicts of interest arising from intra-group relationships or relationships with external entities.

**Q-73**      **D.**      Evaluation of the insurer's financial strength can be done through:

- analysing the settlement of claims and the calculation of technical provisions according to current regulations;
- analysing the operations by line of business;
- analysing the investment policy (including derivatives policy), the assets held to cover the technical provisions;

- verifying property and valuation of the insurer's investments;
- analysing the litigation and off-balance sheet commitments; and
- analysing the forecasted balance sheets and profit & loss accounts of the next years, on the basis of the most recent results and the management plans.

**Q-74**

**E.**

Assessment of the insurer's fair treatment of customers can be done through:

- assessing the culture of the insurer in relation to customer treatment, including the extent to which the insurer's leadership, governance, performance management and recruitment, complaints handling policies and reward practices demonstrate a culture of fair treatment to customers;
- checking the adequacy, appropriateness and timeliness of the information given to consumers;
- reviewing the handling and timing of claims and other payments;
- reviewing the frequency and nature of customer complaints, disputes and litigation; and
- reviewing any customer satisfaction or other customer experience measures used by the insurer.