**MINISTRY OF FINANCE**

**Insurance Companies Control Service**

STAMP

**Self-assessment Questionnaire for Boards of**

**Boards of Directors of**

**Insurance/Reinsurance/Mutual insurance companies**

**December, 2021**

**January, 2021**

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| **Name of insurance / reinsurance / mutual insurance company:**  ………………………………………………………………………………………………  ……………………………………………………………………………………………… |

**Instructions for completing this questionnaire**

1. The questionnaire should be completed collectively by the Board of Directors and signed by all its members.
2. The empty space after each question is NOT indicative of the extent of the intended answer.
3. If any question does not apply, write N/A in the blank space.

**Definitions:**

Senior Management: Includes the General Manager, the Chief Executive Officer, and all persons who perform basic duties (main functions), but also persons who due to the nature of the duties they perform are able to influence decision-making or the entire company policy.

Law: The Law on Insurance and Reinsurance Business and Other Related Issues

Regulations: Regulations on Insurance and Reinsurance Business and Other Related Issues

1. **Composition of the Board of Directors**
   1. Please attach, as **Annex 1**, a list of the members of the Board of Directors, citing the following details:
2. Full name
3. Appointment Date
4. Executive / Non-Executive / Non-Executive and Independent
5. Updated recent CV for each member.
   1. Please attach as **Annex 2**, a list of the Committees of the Board of Directors, listing the committee members, and a summary of the purpose and terms of reference of each Committee.
   2. Does the Board have a formal policy and documented procedure for the selection, appointment and removal of its members? If yes, please attach it as **Annex 3**. If not, please provide relevant explanations.

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* 1. How does the company deal with conflicts of interest, both during the appointment and the term of office of the members of the Board of Directors? Is there a policy on conflicts of interest and if so, how is it applied?

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* 1. Is there a plan of succession and strategy of dismissal of members of the Board of Directors? Please justify.

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* 1. Do you believe that there is sufficient diversity in your Board of Directors? Diversity in terms of gender, experience, skills and knowledge. Please justify.

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* 1. Do you believe that the balance between executive and non-executive members of your Board of Directors allows the views of non-executive and independent members to be heard and the right decisions to be made without conflicts of interest? Please justify.

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1. **Collective skills and knowledge requirements of the members of the Board of Directors**

**2.1.** Pursuant to Guideline 11 of the Orders of the Superintendent of Insurance in relation to the system of government, the members of the administrative, management or supervisory body must have at a collective level appropriate professional qualifications, experience and knowledge in at least the following matters:

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| SUBJECT | LEVEL OF EXPERIENCE AND KNOWLEDGE | | |
|  | LOW | MEDIUM | HIGH |
| Insurance markets |  |  |  |
| Financial markets |  |  |  |
| Preparation of business strategy, design of business plans and their implementation |  |  |  |
| Creating and evaluating an effective system of governance, effective procedures, supervision and controls |  |  |  |
| Interpretation of financial data and actuarial analysis |  |  |  |
| Regulatory and legal framework and requirements |  |  |  |
| Accounting and auditing |  |  |  |
| Justification of the evaluation based on professional qualifications, experience and knowledge |  | | |

Please complete the above table for each member of the Board of Directors justifying each evaluation based on professional qualifications, experience and knowledge, and attach as **Annex 4**.

**2.2.** Based on the above Table, do you believe that the above requirements are met collectively or that the composition of the Board of Directors of your company should be strengthened? Please justify.

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1. **Governance policy and efficiency of the Board of Directors**

**The Board of Directors must have a governance policy that documents its mode of operation, activities, duties and responsibilities.**

Please attach, as **Annex 5**, the governance policy of the Board of Directors.

* 1. Is there any evaluation of the performance and effectiveness of the Board of Directors in order to verify that its members, collectively and individually, remain effective in fulfilling the respective roles and responsibilities assigned to them as above? If yes, please describe the method and frequency.

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* 1. Has there been an audit by the internal audit unit and / or the external auditors on the effectiveness and efficiency of Board of Directors? If yes, please provide details below.

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1. **Education and training of the Board of Directors** 
   1. Is introductory education / training provided to the new members of the Board of Directors? If so, what does it include? If not, please explain.

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**4.2.** Has the company developed a program for the education and training of the members of the Board of Directors, with a view to further enhancing their knowledge and skills? If yes, please provide details below (who decides, what kind of training it includes etc).

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**4.3.** In relation to question 4.2., is the program drawn up on an annual or extraordinary basis? What kind of training has been done for the members of the Board of Directors in the last 3 years?

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**4.4.** In which areas do you consider that future relevant trainings should be provided based on the current needs for the empowerment and further enchancement of all the members of the Board of Directors? (eg program for the next year or two years)

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1. **Meetings of the Board of Directors**
   1. How often in each year does the Board of Directors meet (regular meetings)? What is the average duration of a regular meeting?

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* 1. How long after the end of each meeting are the Minutes notified to the members?

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* 1. Are there any consequences when members are absent from more than one Board meeting?

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* 1. Are there meetings without the executive members of the Board of Directors? If so, how often? If not, please state the reasons.

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1. **Committees of the Board of Directors**

**6.1.** Does the Board of Directors have written criteria that govern the participation of the members in the various Committees of the Board of Directors? Please describe how the relevant assignment is made and if it is documented in writing.

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* 1. Do people from the senior management also participate in the Committees of the Board of Directors?

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* 1. How often and in what way is the entire Board of Directors informed by its Committees about the content of the meetings and their decisions?

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* 1. Please describe the method and how often the performance and effectiveness of each Board of Directors Committee is evaluated?

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1. **Cooperation of the Board of Directors with the senior management of the company**

**7.1.** Please attach, as **Annex 6**, a list of predetermined reports per year which are submitted to the Board of Directors by the senior management of the company and the frequency with which they are submitted. The list should include, the title, the source (from which Department or Function), the frequency and in what form they are prepared (printed, electronic, presentation).

* 1. In addition to the predefined reports listed in Annex 6, have "ad-hoc" reports been requested from the Board during the current year? If yes, please indicate what "ad-hoc" reports were requested and why they were requested.

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* 1. During the time given to you for the study and processing of the reports submitted to the Board of Directors, is there any kind of communication between the members or with the senior management? If so, in what way?

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* 1. Which people from the top management have direct access to the Board of Directors?

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* 1. Who decides the type of information presented to the Board of Directors? What checks are made to avoid concealing information or delivering some or delayed information?

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* 1. Please describe in **Annex 7** the involvement of the Board of Directors in the following issues for which it has the ultimate responsibility:

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| a) Business strategy and policies |
| b) Appointments of persons who belong to the senior management or perform other basic duties |
| c) Outsourcing of business operations |
| d) Identification and management of risks |
| e) Supervisory reports and ORSA report |
| f) Assessment of own risk and solvency |

* 1. Please describe the way in which the Board of Directors checks that the actions of the senior management are in line with the approved business strategy, the approved business plan and that all the policies adopted by the Board of Directors are followed?

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* 1. In what way and how often is the efficiency and effectiveness of senior management evaluated at the level of the Board of Directors? How is the risk of self-evaluation addressed in terms of the executive members of the Board of Directors?

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* 1. Is there a clear division of roles and responsibilities between the Board of Directors and senior management, in order to promote the proper separation of the supervisory function from the day-to-day management of the undertaking?

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1. **Cooperation of the Committees of the Board of Directors with the senior management of the company**
   1. Please attach as **Annex 8** a list of the predetermined reports per year submitted to each Board Committee by the senior management of the undertaking and the frequency with which they are submitted.
   2. In addition to the predefined reports listed in Annex 8, have any "ad-hoc" reports been requested from the Board Committees within the current year? If yes, please indicate what "ad-hoc" reports were requested and why they were requested.

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1. **Audit Committee**

**The following should be completed by the Audit Committee of the company.**

According to the provisions of article 78 of the Law on Auditors of 2017, the Audit Committee must fulfill at least the following:

(a) consist of non-executive members, the majority of whom are independent.

(b) the Chairman of the Audit Committee is independent and has sufficient knowledge in the field of accounting and / or auditing and, as a whole, the members of the Committee have sufficient knowledge in the field in which the audited entity operates, ie in this case the insurance sector.

The independence criteria that the members of the Audit Committee must meet, in order to be considered independent, have been formulated based on the circular of the Superintendent of Insurance dated 8/10/2021 and are posted on the website of the Insurance Companies Control Service.

* 1. Please justify, based on the criteria of independence, defined in the above circular, whether the Audit Committee of your company complies with the above requirements of the Law on Auditors. If you feel that there is room for improvement in complying with the above please indicate the actions you intend to take to improve.

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**The basic duties and obligations of the Audit Committee are defined in accordance with paragraph 5 of article 78 of the Law on Auditors 2017.**

Based on the way the Audit Committee operates, please answer the following questions regarding the actions of the Audit Committee over the past year that reflect the following obligations:

* 1. How was the adequacy and effectiveness of the company's internal audit and risk management systems monitored and evaluated?

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* 1. In what way did the Audit Committee oversee the compliance function and internal audit function over the year? How many times has the committee met with the heads of the above functions for this purpose during the year?

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* 1. What reports have been submitted to the Audit Committee from the compliance function and from the internal audit function during the year?

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* 1. In what way did the Audit Committee monitor the preparation of financial reports and the insuring of the integrity of the financial statements? How many times has the audit committee met with the company's external auditors and finance manager of the company for this purpose?

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* 1. Has the Audit Committee reviewed and discussed the audit findings and the senior management's responses to the auditors' main findings? Has it discussed the remedies for deficiencies that may have been identified by the auditors with both the senior management and the Board of Directors as a whole?

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* 1. How does the Audit Committee ensure that senior management implements the necessary corrective measures in a timely manner as the question above, corrective actions for non-compliance with policies, laws and regulations and other weaknesses identified by both external auditors, compliance function and internal audit function?

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* 1. How was the independence of the external auditors controlled and monitored?

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* 1. In the context of overseeing the effectiveness of external auditors, has the Audit committee advised the Board of Directors on the terms of reference of external auditors, suggested a change in the auditors' remuneration or discussed the rotation of partners or even a change of auditors?

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**Members of the Board of Directors**

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Signature……………………………………………

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