

IRAQI INSURANCE DIWAN



MARKET CONDUCT MANUAL

CHECKLISTS

DECEMBER 2005

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CHECKLISTS

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Note:

When completing the checklist, if the answer to a question is Yes, record any relevant information to help in the understanding of the insurer's circumstances.

Senior Personnel and Governance

If a prior year investigation took place, did any major concerns or problems arise from the inspection?

Yes / No

Have all the points in the remedial action plan from the previous inspection been carried out?

Yes / No

Does an organisation chart exist?

Yes / No

Are reporting lines clearly defined?

Yes / No

Do Job Descriptions for each member of staff exist?

Yes / No

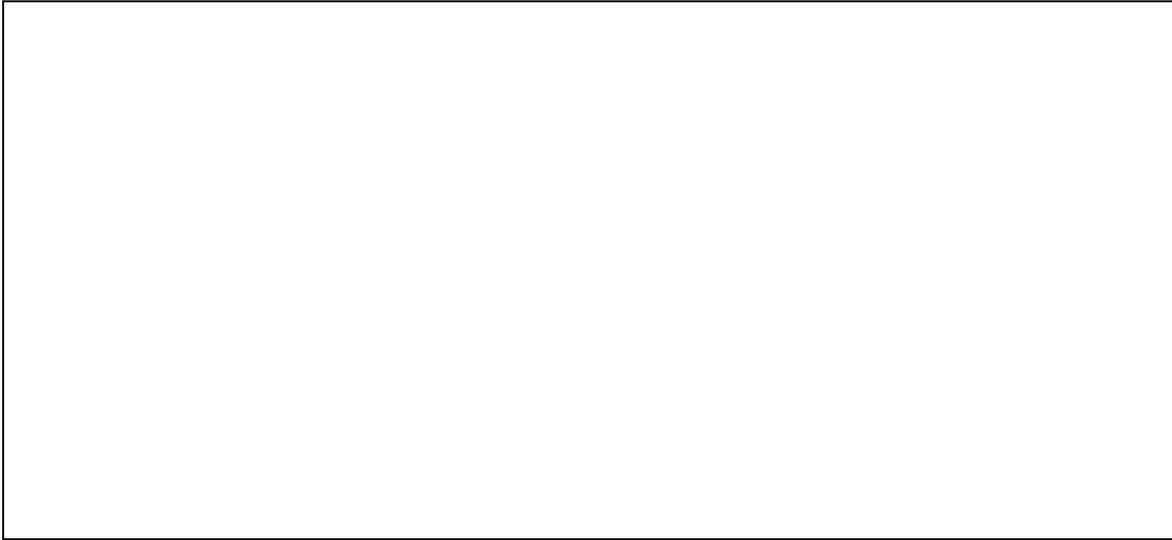
Has the insurer been involved with mergers or acquisitions since the last Report and Accounts and Regulatory returns were submitted?

Yes / No

Has the insurer had any licences or registrations suspended or revoked by any governmental authority during the last two years?

Yes / No

Additional Comments

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Compliance and Audit

Does documentation exist to cover each stage of the compliance process?

Yes / No

Are the necessary insurance licences needed to cover the insurers operations held and are they current?

Yes / No

Is a specific individual responsible for co-ordinating, monitoring and reporting the insurers compliance with the insurance law and regulations?

Yes / No

Does this person and the department responsible for compliance have sufficient resources to carry out compliance duties effectively?

Yes / No

Has the senior management put in place an adequate system of controls and checks?

Yes / No

Has the senior management put in place sufficient resources to ensure that the system of controls and checks can be implemented and maintained?

Yes / No

Are reinsurance arrangements in place?

Yes / No

Do the reinsurance arrangements appear to be satisfactory?

Yes / No

Is the Internal Audit department independent of other operational units in the insurer?

Yes / No

Does an annual Internal Audit plan exist?

Yes / No

Do post audit reports exist for each audit?

Yes / No

Is the Internal Audit unit properly resourced?

Yes / No

Does the Internal Audit department have access to all records, books, files and documents within the company?

Yes / No

Is staff cooperation with Commission inspectors adequate?

Yes / No

Have the necessary files, documents, books and information that have been requested by Commission inspectors been supplied?

Yes / No

Additional Comments

Business Recovery

Does the insurer have a business recovery plan?

Yes / No

Has the business recovery plan been reviewed within the last 12 months?

Yes / No

Is the business recovery plan known to all departmental managers?

Yes / No

Does the business recovery plan ensure that all key information and records of the company will be available or recoverable, by using an alternative site?

Does documentation exist to cover each stage of the business recovery process?

Yes / No

Is all key data backed up?

Yes / No

Are data protection and storage practices adequate?

Yes / No

Is the data back up procedure sufficiently frequent?

Yes / No

Does the business recovery plan adequately address premises, equipment, staffing and information arrangements?

Yes / No

Does the business recovery plan include communications to policyholders and claimants?

Yes / No

Does the plan include communications to employees?

Yes / No

Do metrics exist to measure the effectiveness of the business recovery procedures and controls?

Yes / No

Additional Comments

Financial

Do documented procedures exist?

Yes / No

Are relevant staff aware of the documented procedures?

Yes / No

Is the budgeting procedure understood and followed by relevant staff?

Yes / No

Is the procurement procedure understood and followed by relevant staff?

Yes / No

Is the payroll procedure understood and followed by relevant staff?

Yes / No

Is the payment of expenses procedure understood and followed by relevant staff?

Yes / No

Is the banking procedure understood and followed by relevant staff?

Yes / No

Is the credit control procedure understood and followed by relevant staff?

Yes / No

Is the procedure for producing management accounts understood and followed by relevant staff?

Yes / No

Is the procedure for producing statutory accounts understood and followed by relevant staff?

Yes / No

Is a system in place to ensure that procedures are revised and updated on a timely basis?

Yes / No

Does documentation exist to cover each stage of the investment process activity?

Yes / No

Is the system of controls and checks in the Department adequate?

Yes / No

Has the purchase or sale of any investments taken place without the approval of the Senior Management or the Board of Directors?

Yes / No

Are any assets owned by the insurer not under the exclusive control of the insurer?

Yes / No

Have any assets been reported that were subject to a contractual obligation to transfer them to another party, without the attendant liability for the obligation being reported?

Yes / No

Has there been a change of senior personnel since the previous report and accounts were published?

Yes / No

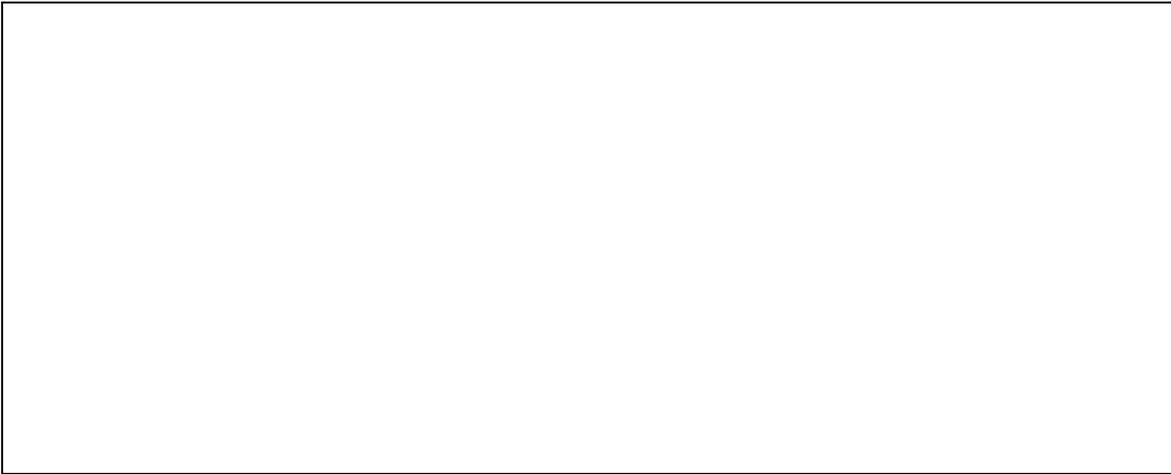
Which senior positions have changed?

Yes / No

Do metrics exist to measure the effectiveness of the financial management procedures and controls?

Yes / No

Additional Comments

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Underwriting and Rating

Does documentation exist to cover each stage of the underwriting process?

Yes / No

Are relevant staff aware of the documented procedures?

Yes / No

Is a system in place to ensure that procedures are revised and updated on a timely basis?

Yes / No

Is the system of controls and checks in the Department adequate?

Yes / No

Is there a division of responsibilities amongst the different stages of the underwriting process?

Yes / No

Are rules and authority levels for dealing with different types of risks set out?

Yes / No

Are these rules and authority levels followed?

Yes / No

Are rules and authority levels for dealing with different levels of sums insured or limits of liability set out?

Yes / No

Are these rules and authority levels followed?

Yes / No

Are business portfolios reviewed in a systematic way?

Yes / No

Are business portfolio reviews carried out on a sufficiently regular basis?

Yes / No

Are rates and premiums reviewed and adjusted in a systematic way?

Yes / No

Are rate and premium reviews and adjustments supported by sufficiently robust and statistically sound management information?

Yes / No

Are underwriting practices appropriate to the class of business being written?

Yes / No

Is the process for recording declinature decisions documented?

Yes / No

Is the process for declining proposals known by the relevant staff?

Yes / No

Is the process for declining renewals of business known by the relevant staff?

Yes / No

Is the process for cancelling policies documented?

Yes / No

Is the process for cancelling policies known by the relevant staff?

Yes / No

Are adequate records kept of cancelled policies?

Yes / No

Are statutory documents relating to cancelled policies obtained, obtained?

Yes / No

Are return premiums processed in a transparent and auditable way?

Yes / No

Are sufficient underwriting records made and maintained?

Yes / No

Do metrics exist to measure the effectiveness of the underwriting and rating procedures and controls?

Yes / No

Additional Comments

Policyholder Administration and Service

Does documentation exist to cover each stage of the policy administration process?

Yes / No

Are relevant staff aware of the documented procedures?

Yes / No

Is a system in place to ensure that procedures are revised and updated on a timely basis?

Yes / No

Is the policy set up procedure understood and followed by relevant staff?

Yes / No

Is the policy issue procedure understood and followed by relevant staff?

Yes / No

Is the premium collection and debiting procedure understood and followed by relevant staff?

Yes / No

Is the mid term adjustment procedure understood and followed by relevant staff?

Yes / No

Is the policy renewal procedure understood and followed by relevant staff?

Yes / No

Is the policy cancellation procedure understood and followed by relevant staff?

Yes / No

Is the policy reinstatement procedure understood and followed by relevant staff?

Yes / No

Is the record keeping procedure, including proposal forms and covernotes, understood and followed by relevant staff?

Yes / No

Are authority levels documented and followed within the Department?

Yes / No

Do metrics exist to measure the effectiveness of the policy administration and service procedures and controls?

Yes / No

Additional Comments

Marketing and Sales

Do documented procedures exist to cover each stage of the marketing and sales process?

Yes / No

Are relevant staff aware of the documented procedures?

Yes / No

Is a system in place to ensure that procedures are revised and updated on a timely basis?

Yes / No

Is the system of controls and checks in the Department adequate?

Yes / No

Does customer-facing literature include mandatory information regarding the insurer?

Yes / No

Does customer-facing literature include details of how the company can be contacted?

Yes / No

Does customer-facing literature include details of how a complaint can be made?

Yes / No

Do the company's advertising practices comply with legal requirements?

Yes / No

Are policy wordings clear and not misleading?

Yes / No

Do metrics exist to measure the effectiveness of the marketing and sales procedures and controls?

Yes / No

Additional Comments

Agents and Brokers

Does documentation exist to cover the appointment and management of agents and brokers?

Yes / No

Do contracts exist for each agent or broker?

Yes / No

Are the sales practices of each agent or brokers checked?

Yes / No

Are inspections made of agent and broker offices to audit accountable documents such as cover note books?

Yes / No

Is the system of controls and checks in the Department dealing with Agents and Brokers adequate?

Yes / No

Are all agents and brokers included in a training plan?

Yes / No

Are records kept for each agent and broker showing the training courses that have been attended?

Yes / No

Are assessments of each an agent or broker made, following a training course?

Yes / No

Is a system in place to ensure that procedures are revised and updated on a timely basis?

Yes / No

Is a system in place to ensure that licensing procedures are followed?

Yes / No

Are all agent and brokers used by the insurer properly licensed?

Yes / No

Is the agency and broker appointment procedure understood and followed by relevant staff?

Yes / No

Is the agency and broker amendment procedure understood and followed by relevant staff?

Yes / No

Is the agency and broker termination procedure understood and followed by relevant staff?

Yes / No

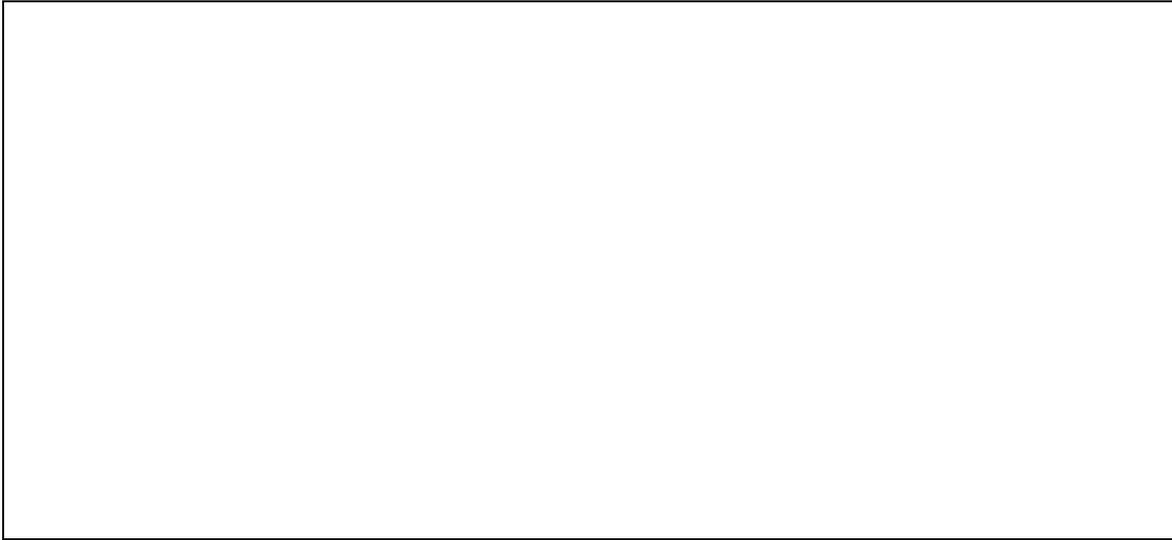
Is the agency and broker accounts collections procedure understood and followed by relevant staff?

Yes / No

Do metrics exist to measure the effectiveness of the agent and broker management procedures and controls?

Yes / No

Additional Comments

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Claims Management

Does documentation exist to cover each stage of the claims process?

Yes / No

Are relevant staff aware of the documented procedures?

Yes / No

Is a system in place to ensure that procedures are revised and updated on a timely basis?

Yes / No

Is the system of controls and checks in the Department adequate?

Yes / No

Is there a division of responsibilities amongst the different stages of the claims management and settlement process?

Yes / No

Are rules and authority levels for dealing with different types of claims set out?

Yes / No

Are these rules and authority levels followed?

Yes / No

Are rules and authority levels for dealing with different financial amounts of claims set out?

Yes / No

Are these rules and authority levels followed?

Yes / No

Are contracts in place with independent adjusting companies?

Yes / No

Are claims reserves reviewed at suitable periods?

Yes / No

Does documentation exist to cover each stage of the claims management and settlement process?

Yes / No

Do written guidelines exist for contacting insured's and claimants?

Yes / No

Is all of the required documentation relating to a claim stored on the file?

Yes / No

Is the claim payment process transparent with different individuals being responsible for different parts of the process?

Yes / No

Do procedures exist for file retention and file destruction?

Yes / No

Are the procedures for file retention and file destruction being followed?

Yes / No

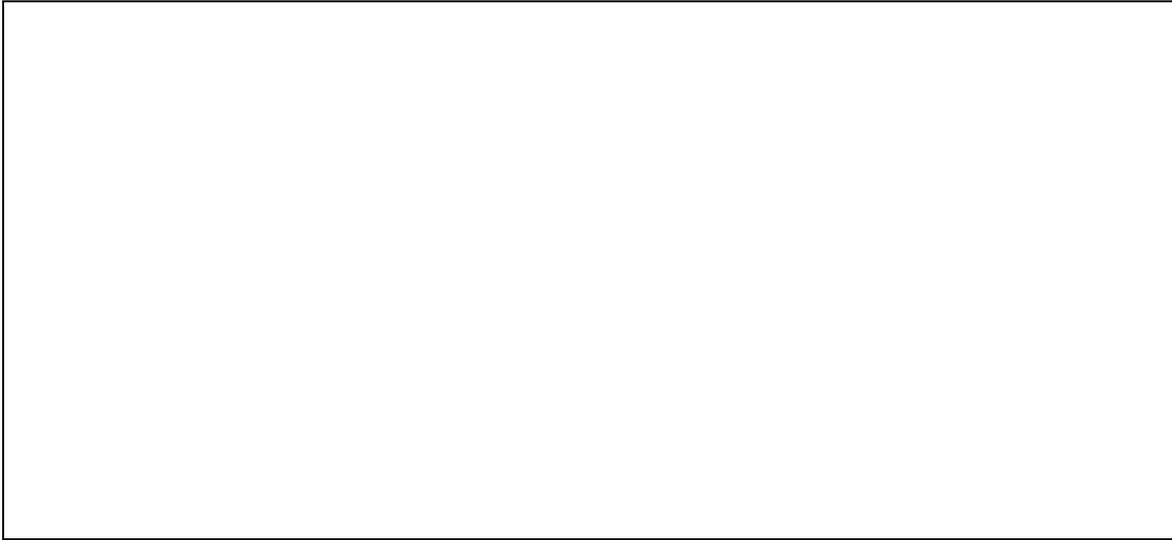
Are monies from claims contributions and subrogation proceeds properly recorded?

Yes / No

Do metrics exist to measure the effectiveness of the claims management procedures and controls?

Yes / No

Additional Comments

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Customer Complaints

Does documentation exist to cover each stage of the complaint process?

Yes / No

Are relevant staff aware of the documented procedures?

Yes / No

Is a system in place to ensure that procedures are revised and updated on a timely basis?

Yes / No

Are complaints properly recorded?

Yes / No

Are complaints handling and resolution procedures properly followed?

Yes / No

Do metrics exist to measure the effectiveness of the complaints handling and resolution procedure?

Yes / No

Additional Comments

INSPECTION RECORD

Inspection Number	
Insurance Company inspected	
Start date of Inspection	
End date of Inspection	

Commission Official and Title	
Commission Official Declaration that inspection has been performed in accordance with Commission inspection procedures	
Commission Official – Signature	
Date of Signature	