



HKICS Corporate Governance Conference:

Being Fit and Proper – The best protection down the line

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Good governance

is more than compliance with laws
and regulations



What is governance?

Policies, processes and structures used by an organization or a government:



In a manner consistent with appropriate ethical standards.

What is governance?

➤ “Governance is essentially a function of **leadership and direction** within an organization; appropriate risk management and control over its activities (**management**); and the manner in which meaningful disclosure relating to its activities is made to shareholders and other stakeholders (**public engagement**).”

-- King II Report, 2002 (South Africa)

“Fit and Proper” in corporate governance



The role of the Board

- Acknowledges that good governance is essential to the corporate
- Drives corporate strategy at the highest position
- To be complemented with other factors to achieve good governance
- Builds a **suitable corporate structure** with **sound risk culture**

The Board

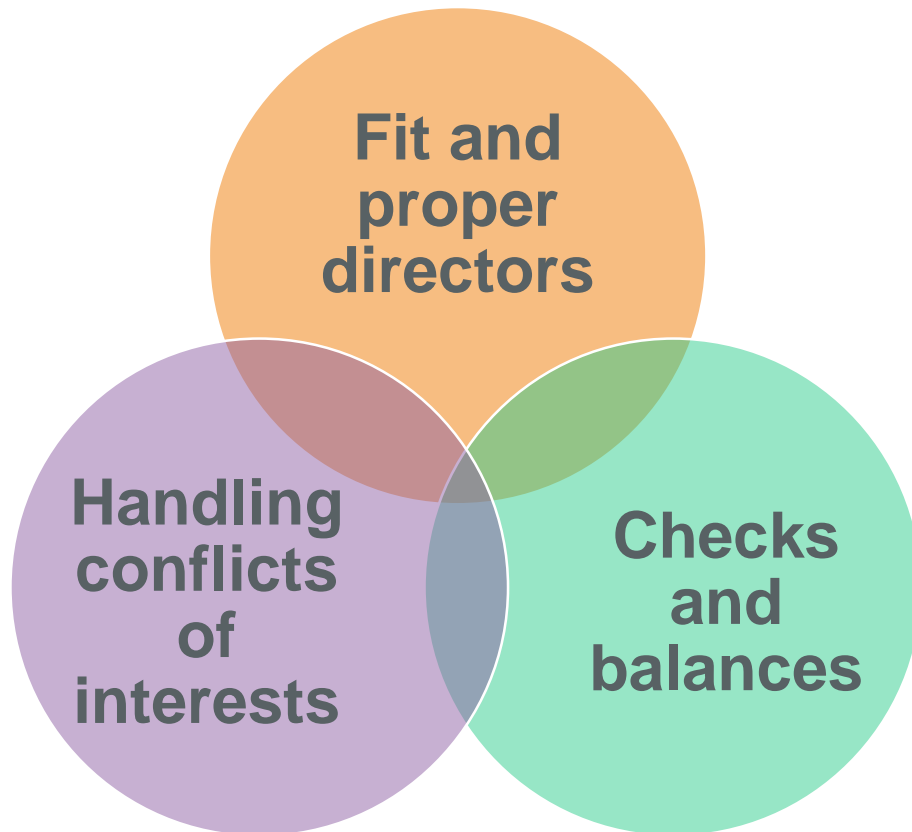
Corporate
Structure

Risk
Culture



Corporate Structure

- Ultimate responsibility at the Board
- Delegation to Board Committees and Senior Management





Sound Risk Culture

- Reflects the values, appetite and norms of business behaviours
- Drives good practices and informed decisions
- Facilitates proper risk management and compliance

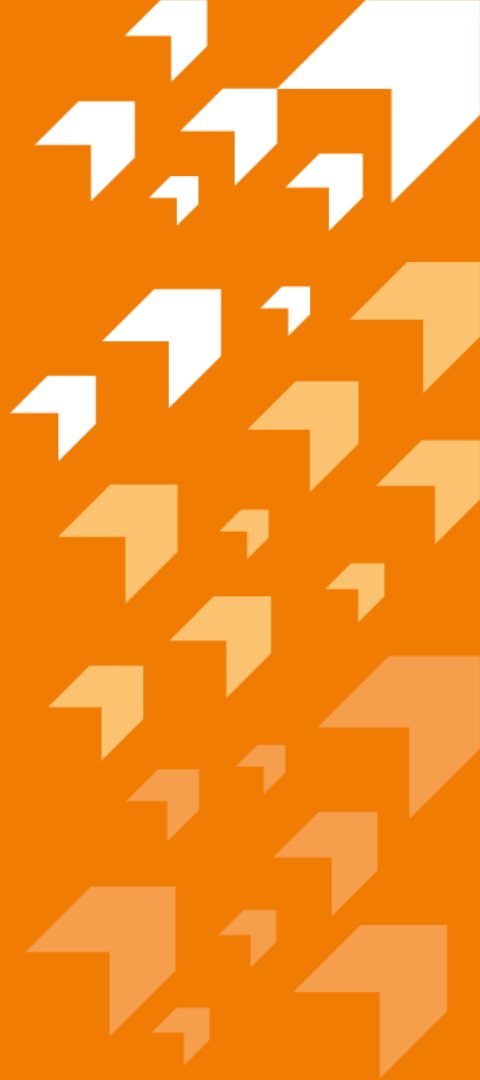
Risk Culture



- **Obligation to fulfil contract terms in insurance policies**
- **Implementing policies on Fair Treatment of Customers**
- **The principles:**
 - ✓ Provision of information
 - ✓ Upholding of professionalism
 - ✓ Suitability of products
 - ✓ Meeting reasonable expectations



Expectations of the IA



Expectations of the IA



Conclusion

- **Social value of insurance to be realised**
- **Insurers to act reasonably with due regard to the interests of policy holders**
- **Serving the under-insured populations**





Thank You

"No act of kindness, no matter how small, is ever wasted"

Aesop

