INTRODUCTION

This report provides a summary of the latest corporate governance of ICMIF members based on information as at year-end 2015, with figures from 2010 and 2005 used for comparison purposes.

This report focuses on the size, composition and tenure of the boards of directors of ICMIF member companies, at a global and regional level. It also analyzes the gender diversity amongst senior management teams, including chief executive officers (CEOs), and looks at ICMIF members’ sub-board management committees.

Governance data from 116 ICMIF members is included in this report, representing 67% of ICMIF's full membership* and 93% of members' aggregate premium income in 2015.

*Note that only ICMIF members that are mutual or cooperative insurers are included in this data; therefore members that are in ICMIF's Associate (although Takaful Associate members are included), Observer and Supporting Membership categories are not included. Membership data correct as of August 2016.

- **Average representation of women on the board of members**: 21%
- **Members with three or more women on their board**: 48%
- **Average tenure (in years) of CEOs at member companies**: 6.6
In 2015, ICMIF members had an average board size of 14.5 directors, an increase from both the 2010 (14.0 directors) and the 2005 average (13.0 directors). Regionally, the average number of directors for members in Europe was higher than the global average of 16.9, although this is unsurprising given that most of ICMIF’s largest members are located here. Similarly, the number of directors at member organizations in Asia and Oceania and Africa, where the majority of smaller member companies are located, was lower than the global average at 11.6 and 11.0 directors respectively.

Over 85% of board members were non-executive directors and the remaining 15% were executive directors. At a regional level, European (18%) and African (22%) members had a higher proportion of executives on their boards than those in other regions. Conversely, executive directors occupied just 7% of North American members’ board positions.
The gender split of board members shows that 20.6% of directors serving on ICMIF member boards in 2015 were women. This represents a significant growth in the percentage of women on boards in recent years, having increased from 14.3% in 2010 and almost doubled from 11.0% in 2005.

ICMIF members were also ahead of the insurance industry based on available figures* on board gender diversity, which calculate the average representation of women on the boards of insurance companies in 2015 to be 17.8%.

*Data on the average women board representation in 2015 from MSCI ESG Research Women on Boards, ©2016 MSCI ESG Research Inc. Reproduced by permission.
At a regional level, European members had the highest proportion of women directors on their boards in 2015, with an average representation of 23.5%. More than 20% of board positions at North American members were held by women and 18.2% in Africa, both above the global industry average.

Impressively, ICMIF members in all regions experienced a rise in the percentage of women on boards in 2015, from both 2005 and 2010 levels. Members in Latin America (15.2%) and Asia and Oceania (13.9%) had a lower proportion of women on their boards in 2015, but saw the strongest growth since 2005 up from just 2.4% and 4.7% respectively. Members in Europe and Africa have doubled their aggregate representation of women on boards since 2005, with the greatest gain over the previous five years. The percentage of women on the boards of North American members has grown relatively slowly compared to other regions, although has remained consistently high over the previous ten years.
Just under 85% of ICMIF members had at least one woman director on their board in 2015, similar to the global industry average*. However, almost half (48%) had three or more women directors, a significantly greater percentage than the industry average of just 17%. In comparison, in 2005, only 56% of members had a women director on their board and fewer than 20% had three or more.

In North America, all member companies had one or more women on their board, and 90% of European members had at least one. More than 90% of Latin American members also had at least one woman director on their board in 2015, a major increase from ten years ago (2005: 25%). More than half (56%) the members in Asia and Oceania had a woman director in 2015, compared to just 20% in 2005.

Europe had the greatest proportion of members with three or more women directors in 2015 (60%), followed by North America (53%) and impressively, Africa, with half of ICMIF members’ boards including three or more women in 2015 compared to none in 2005 or 2010.

*Data on the percentage of insurance companies with one or more and three or more women on their boards in 2015 and 2010 from MSCI ESG Research Women on Boards, ©2016 MSCI ESG Research Inc. Reproduced by permission. Note that there are no comparable industry figures for 2005.
Although the majority of senior management positions within ICMIF member companies were held by men in 2015, almost 27% of senior executives were women. This represents an increase in the percentage of women in senior management positions from 2010, when a quarter of senior executives were women.

There has also been an increase in women being appointed as CEO at ICMIF members over the previous 10 years. In 2015, 18% of members were led by a woman CEO compared to just 13% of members in 2010 and around 7% in 2005. This is significantly above both the insurance industry and total mutual/cooperative sector average, as ICMIF research found that there was only one woman CEO (1%) amongst the 100 largest stock company insurers in the world, and nine women CEOs (9%) amongst the 100 largest cooperative/mutual insurers*.

*As of March 2016. See ICMIF’s International Women’s Day infographic on Women in CEO positions
Despite having the lowest proportion of women on their boards compared to other regions, members in Latin America and Asia and Oceania had the highest percentage of women senior executives in 2015. In Latin America, 39% of senior management positions at ICMIF members were occupied by women and in Asia and Oceania, it was almost a third (31.6%).

Latin America was also the leading region in terms of gender diversity of CEOs: a similar percentage (39%) of members were led by a woman CEO in 2015. Europe and North America also had a relatively high proportion of women in the role of CEO at just under 20% and 19% of ICMIF members respectively. Members in Asia and Oceania and Africa had a much lower average representation of women at CEO level compared to senior management or board positions.
In terms of the tenure of board members, recommended industry figures suggest that directors should serve for a maximum of between nine and 12 years and that the average tenure of board members of mutual insurers was around nine years, which is higher than the rest of the insurance industry*.

For ICMIF members, the average tenure of board directors in 2015 was 5.5 years. Just under half (46%) of directors have served for three years or less (compared to 41% in 2010) and 85% have had board positions for nine years or less (2010: 80%). Only 5% of directors have been on the board for 15 years or more, a drop from the 10% of directors in 2010. This suggests that members are seeking to reduce long tenures to avoid the board becoming entrenched or losing its independence from management.

Distribution of directors’ tenure

*Figures on industry and mutual average tenure of directors from Swiss Re, sigma No.4/2016, Mutual insurance in the 21st century: back to the future?
TENURE OF CEO

The overly-long tenure of a CEO may have some negative impacts for companies seeking to innovate in order to remain strategically competitive but there are also many benefits in having continuity and stable leadership. This is particularly true for cooperative/mutual insurers which may be more inclined than stock companies to take a longer-term perspective in setting the company's performance objectives. The varied distribution of CEO tenure at ICMIF member companies suggests that some members are benefiting from refreshed leadership, others from continuous leadership. Around half of ICMIF members’ CEOs have served for up to five years (including 19% who have served for less than two years) and just under a quarter have served for 10 years or more; the distribution was very similar in 2010.

The average tenure of ICMIF members’ CEOs was just under seven years in 2015. Regionally, members in the Americas had the longest-serving CEOs, with an average tenure of nine years in North America and 11 years in Latin America. The average tenure of CEOs in other regions was lower than the global average.
More than three-quarters (76%) of ICMIF members operated with some form of sub-committee management in place in 2015 – an increase in the percentage of members from 2010 (73%) – to enhance their governance.

The most common committees among ICMIF members were: audit committees (66%), remuneration (33%) and risk management (32%). Just under a quarter (24%) had a nomination committee and 18% had an investment committee. Governance committees have become more prevalent: 13% of ICMIF members had a dedicated sub-committee in 2015 compared to just 7% in 2010. There was also a higher proportion of other dedicated committees, such as executive or management, control, credit, HR and technical, in 2015 (43%) than in 2010 (40%).

% of member companies with various sub-board committees
ICMIF Members’ Governance 2016

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Published September 2016

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