

icmif

International Cooperative and Mutual Insurance Federation

# ICMIF Members' Governance 2022



# Introduction

This report provides an overview of ICMIF members' corporate governance as of year-end 2020, with a comparison to figures from 2015, 2010 and 2005. In some instances, such as analysis of CEO gender diversity and tenure, figures from 2022 have been taken.

This report examines the size and composition of ICMIF members' boards of directors; tenure of directors and CEOs; as well as gender diversity of the boards; and CEOs and senior management teams on a global and regional level.

Governance data from 134 ICMIF member companies, representing 89% of ICMIF's full membership<sup>1</sup> and 96% of members' aggregate premium income<sup>2</sup> was used in this report.

Throughout the report, size categorisation of members is based on gross premium income<sup>3</sup> in the following categories: small (up to USD 50 million in premiums); medium (between USD 50 million and USD 999 million); and large (USD 1 billion and above).

<sup>1</sup> Only data from full ICMIF members is included in this report (ie risk bearing ICMIF members that are mutual and cooperative insurers). Therefore, members that are associate, observer or Supporting Members are not included.

<sup>2</sup> Based on 2020 financial data

<sup>3</sup> Based on 2020 financial data

34%

**Average representation of women in senior management positions at member companies**

5.6

**Average CEO tenure at members companies (years)**

28%

**Average representation of women on members' boards**

52%

**Members with three or more women on their board**



# Board composition

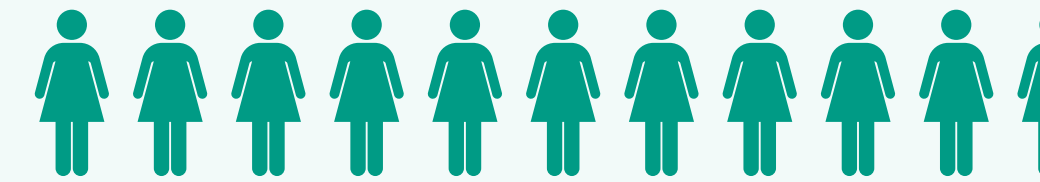
In 2020, ICMIF members had an average board size of 11.7 directors, a decrease from 14.5 in 2015 and lower than both 2010 (14.0) and 2005 (13.0). North American members had the highest regional average at 13.5 directors, a slight increase from 13.1 in 2015; while African members had the lowest average at 9.0 directors, a decrease from 11.0 in 2015. There was a correlation between company size and board size: with an average of 9.0 directors at small companies; 11.1 at medium-sized companies; and 16.6 at large companies.

Over 89% of ICMIF members' directors were non-executive directors. Members in Africa (18.9%), followed by Europe (15.4%), had the highest proportion of executive directors, while members in Latin America (2.4%) had the lowest.

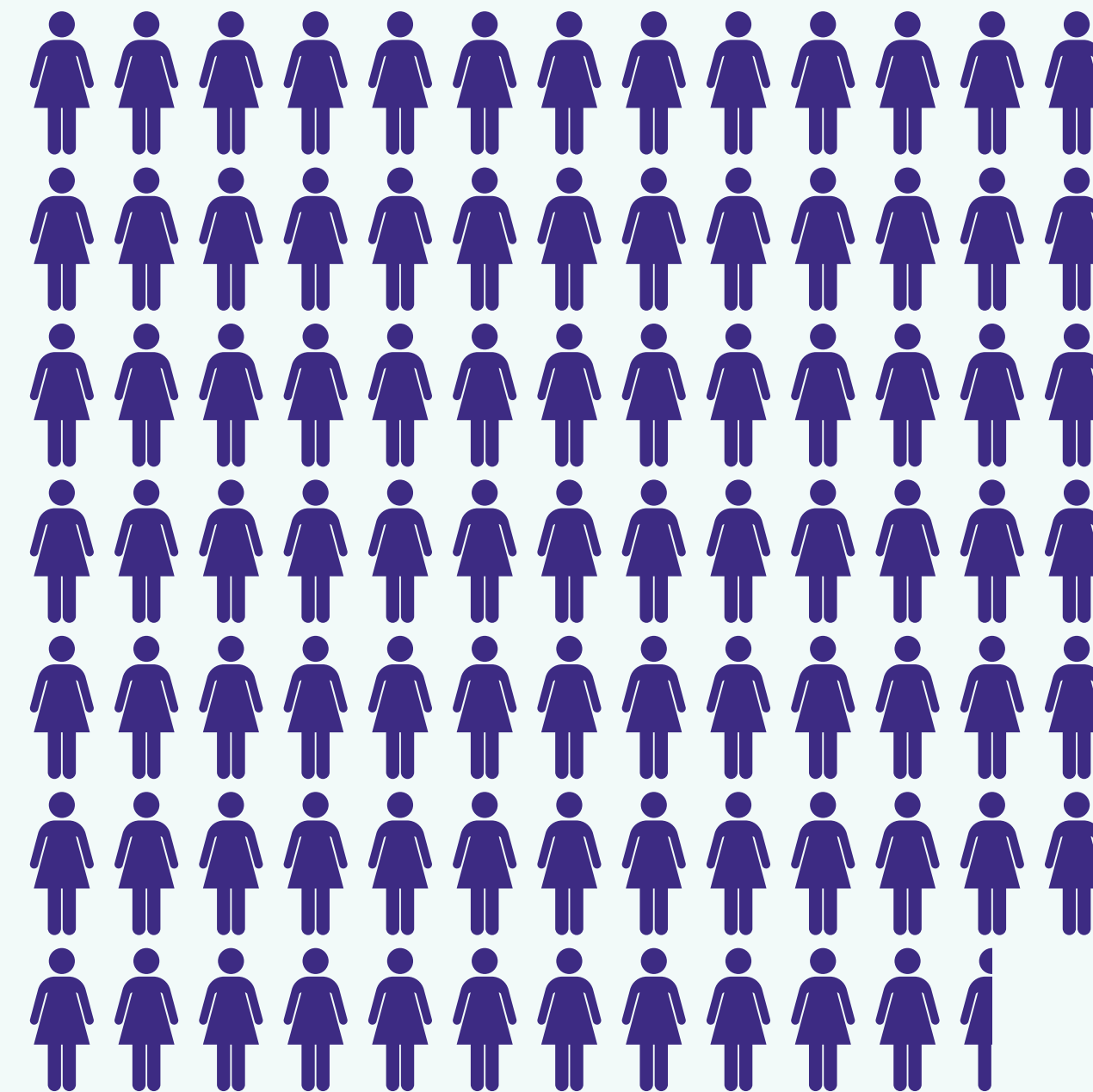
Region	Executive	Non-executive	Average number of directors
Europe	15.4%	84.6%	11.8
North America	5.7%	94.3%	13.5
Asia and Oceania	6.0%	94.0%	11.0
Latin America and the Caribbean	2.4%	97.6%	11.9
Africa	18.9%	81.1%	9.0
<b>Total</b>	<b>10.5%</b>	<b>89.5%</b>	<b>11.7</b>

## Executive and non-executive directors on members' boards

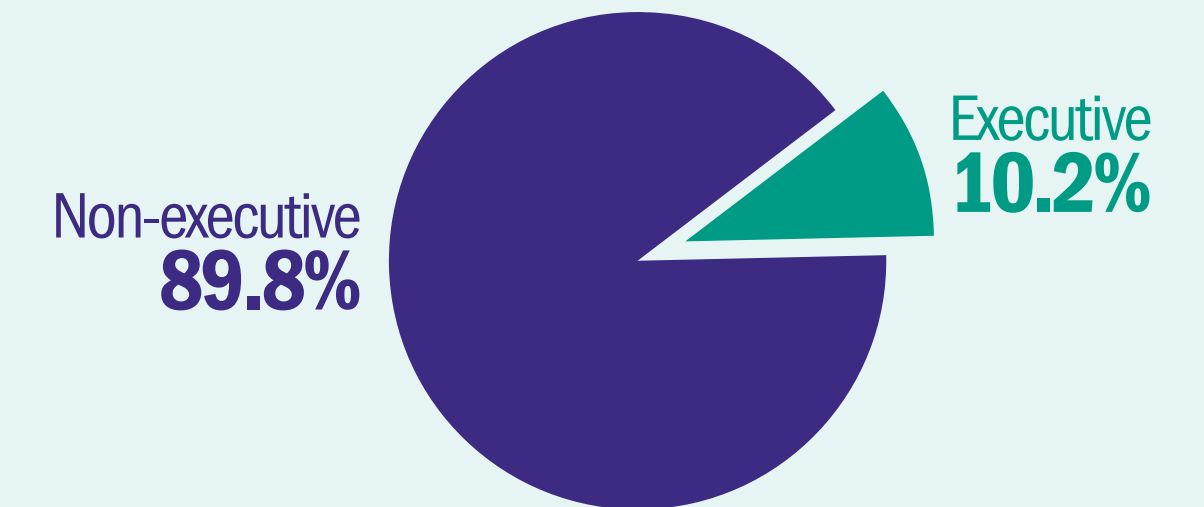
Executive  
**10.5%**



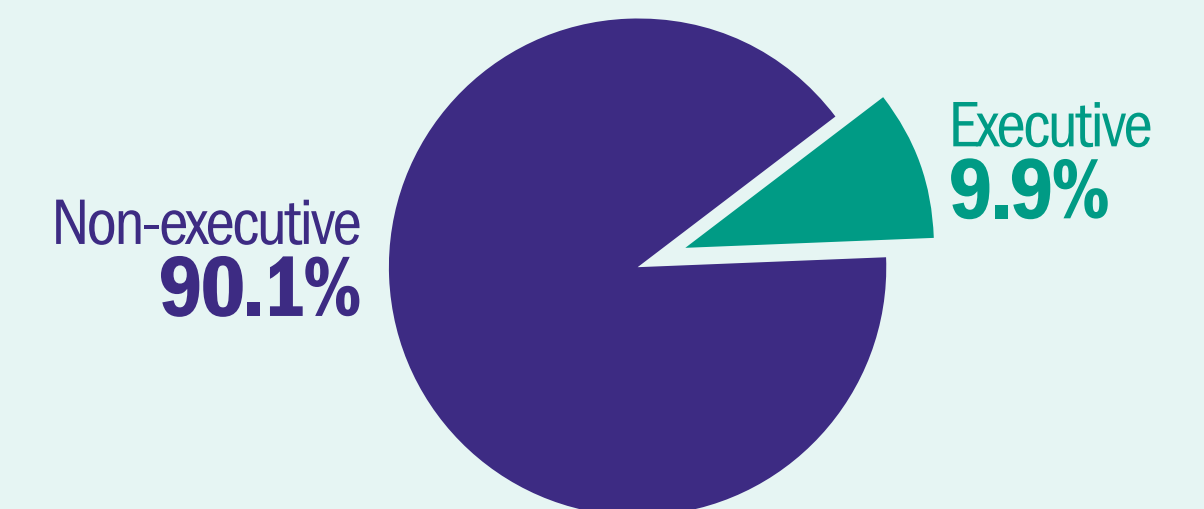
Non-executive  
**89.5%**



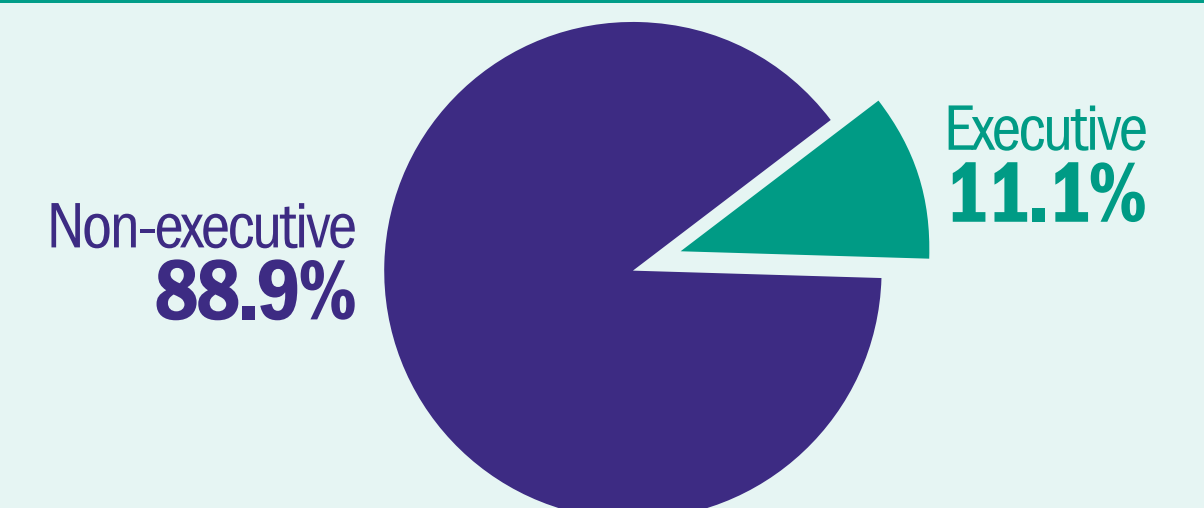
### Small



### Medium



### Large



# Representation of women on boards

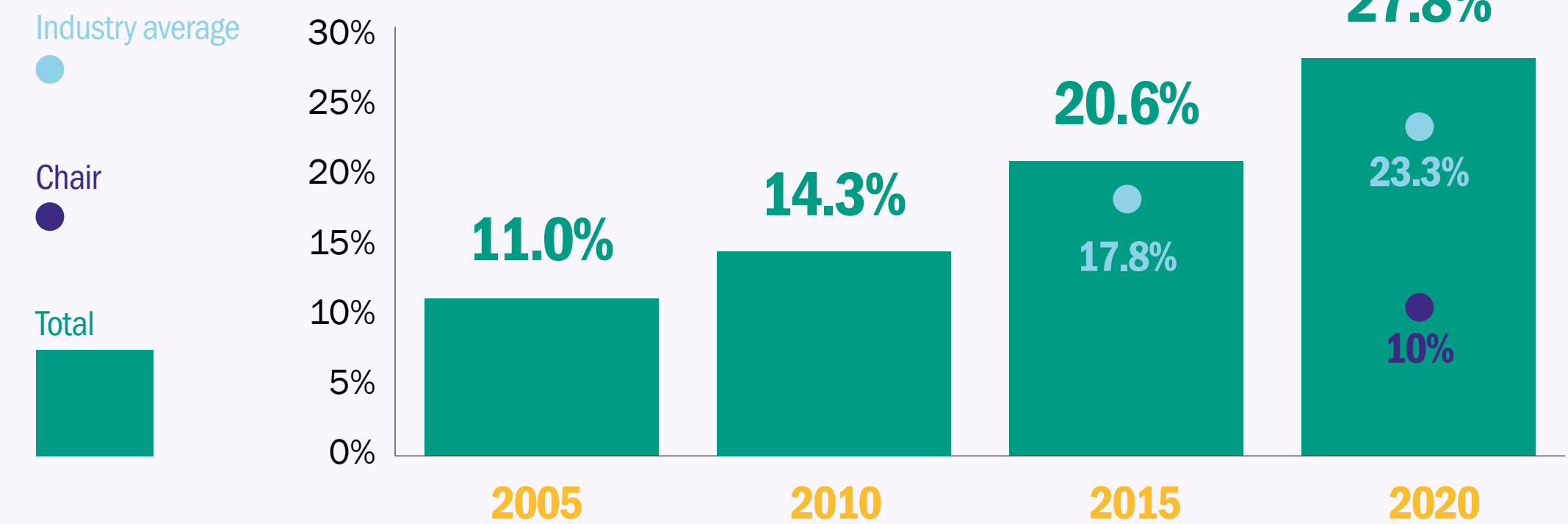
In 2020, 27.8% of directors serving on ICMIF members' boards were women. This is a substantial increase from 20.6% in 2015 and nearly double from 14.3% in 2010. Across the membership, 10% of ICMIF members' chairs were female.

As a benchmark to the rest of the industry, ICMIF members were ahead of both the average for the global financial services industry of 23.3% women on boards in 2020 (according to research from MSCI)<sup>4</sup>; and the average for the insurance industry of 26% (according to the Swiss Re Institute<sup>5</sup>).

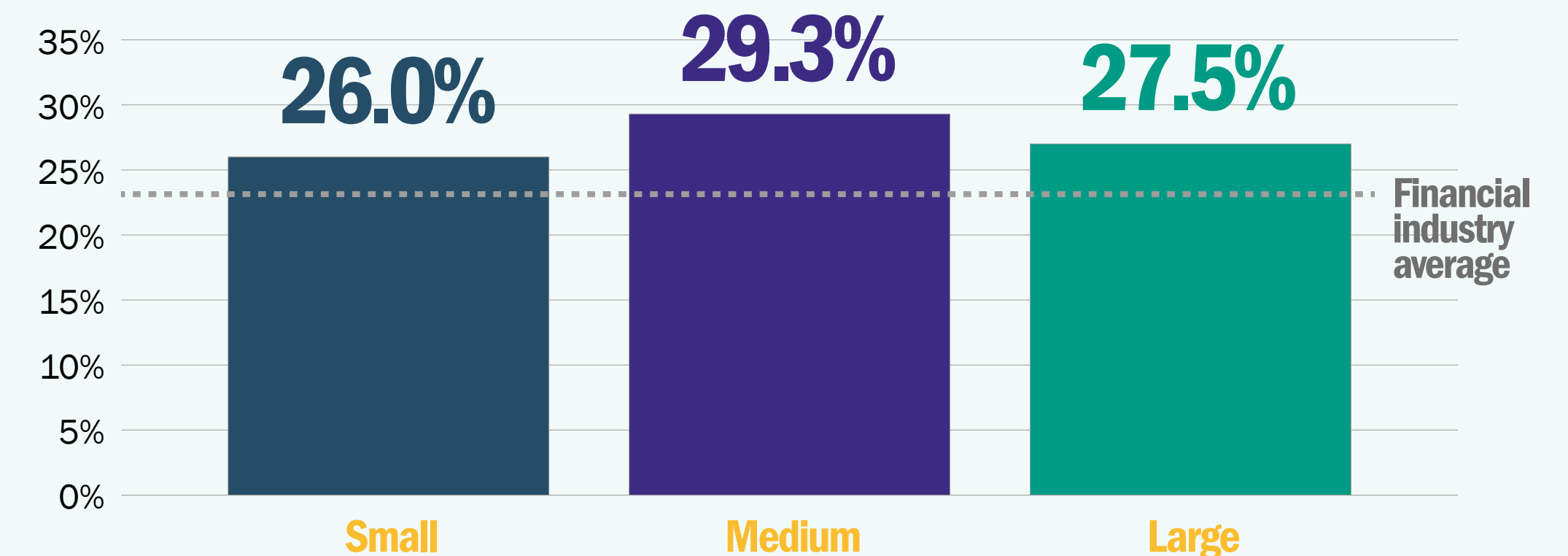
In terms of organisations with at least 30% representation on their board, MSCI's average for the financial services industry was 34%. In comparison, 45% of ICMIF members' boards were comprised of at least 30% female directors.

When comparing members by premium size, there was only a small amount of variation in the percentage of women on members boards with medium-sized members having the largest proportion of female board members at 29.3% and small-sized members having the lowest percentage at 26.0%.

## Average percentage of women on members' boards



## Average representation of women on members' boards by company size



<sup>4</sup> Data on the average women board representation in 2020 from MSCI ESG Research *Women on Boards: Progress Report 2021*, ©2020 MSCI ESG Research Inc. Reproduced by permission

<sup>5</sup> Data on average women on boards in the insurance industry in 2019 from Swiss Re Institute report *Gender diversity in the insurance industry: for a sustainable future 2021* ©2021 Swiss Re Institute.

# Percentage of women on board by region

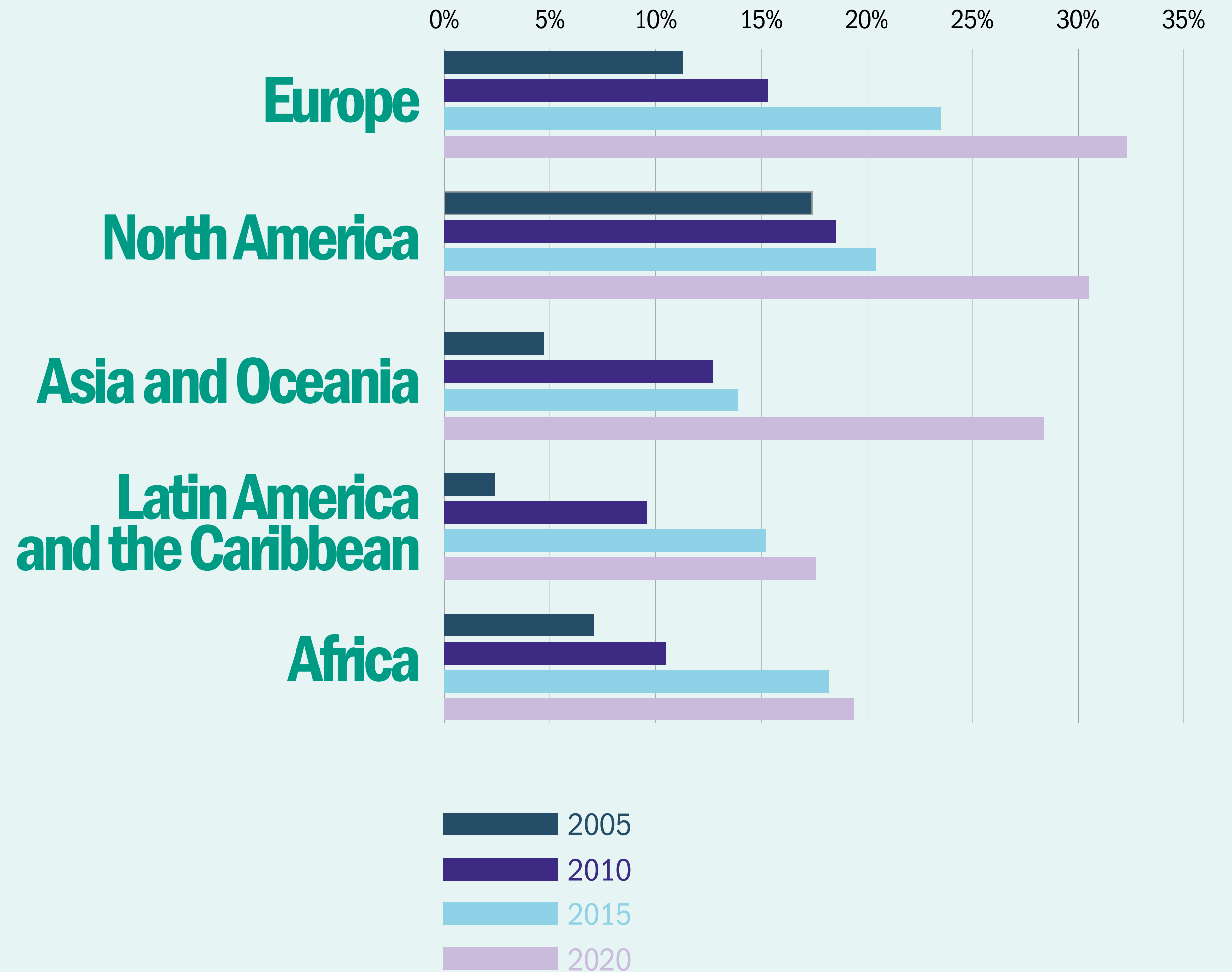
All regions of the ICMIF membership experienced a growth in the proportion of women on boards in 2020. European members had the highest percentage of female directors on boards at 32.3%, closely followed by North America at 30.5%: up from 23.5% and 20.4% respectively in 2015. Asia and Oceania had the greatest increase of female board directors in 2020 at 28.4%, more than twice the representation in 2015 (13.9%).

Members in Latin America (17.6%) and Africa (19.4%) had a lower representation of women on their boards, but both regions saw growth from 2015.

In 2020, 87.9% of ICMIF members had a least one woman on their board, slightly above the financial industry average of 87.8%<sup>6</sup>. Over half of members (51.7%) had three or more female board directors in 2020, up from 48.0% in 2015. This is a remarkable growth from 2005 where only 56% of members had at least one female board director and 19% had three or more.

<sup>6</sup> Data on the average women board representation in 2020 from MSCI ESG Research Women on Boards: Progress Report 2021, ©2020 MSCI ESG Research Inc. Reproduced by permission

Average representation of women on members' boards by region

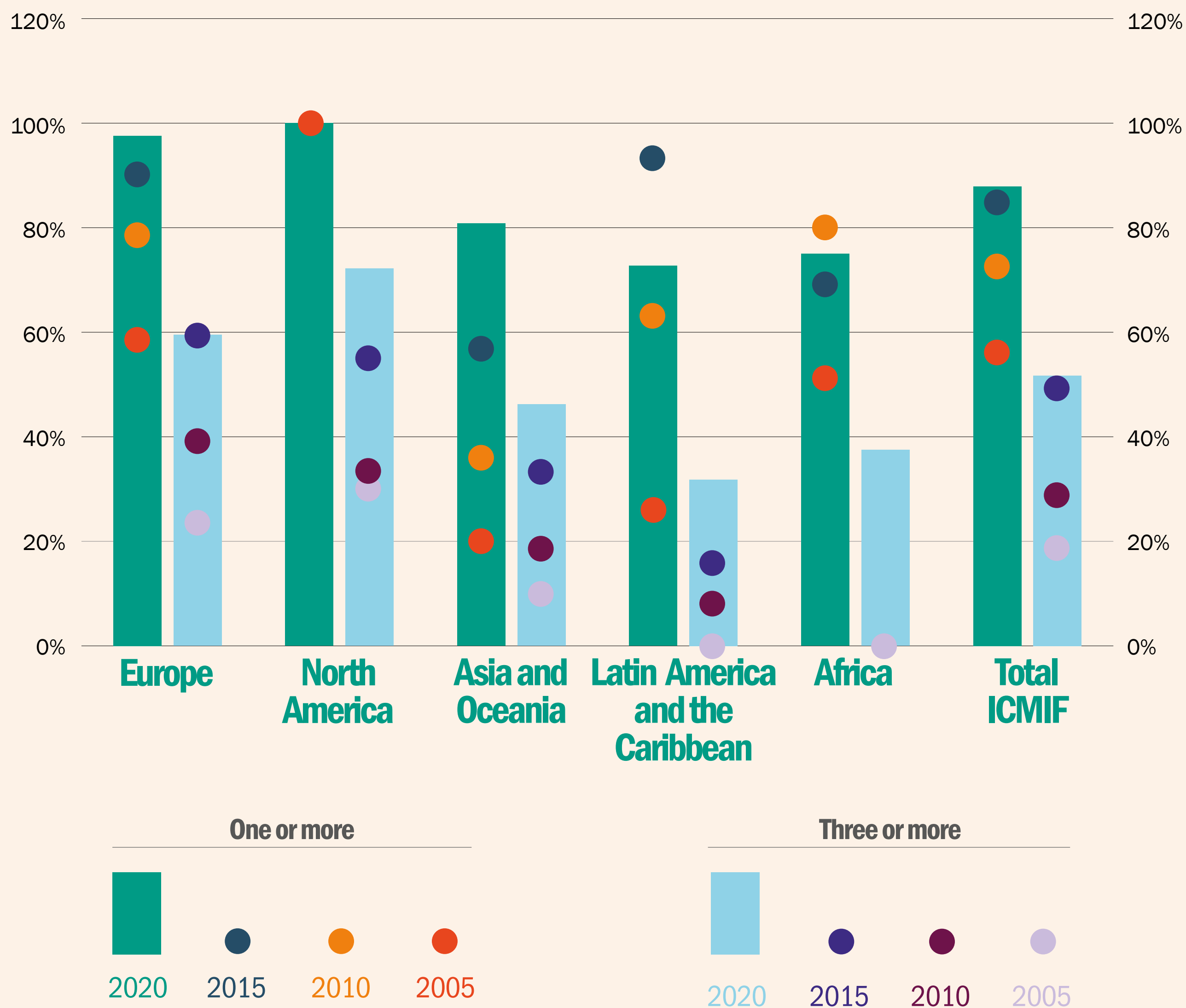


All members in North America continued to have at least one female director and this region also had the highest proportion of boards with three or more female directors (72.2%). The number of European members with one or more women on their boards increased from 90% in 2015 to 97.6% in 2020.

Members in Asia and Oceania recorded the largest growth in terms of having at least one woman on the board. In 2020, 80.8% of members in the region had one or more women on their board, an increase of 24.8 percentage points from 2015 (56.0%). Also, the number of members in this region with three or more female directors increased from 33% in 2015 to 46.2% in 2020.

Latin America showed a reduction in the percentage of boards with at least one female director from 92% in 2015 to 72.7% in 2020. However, the overall percentage of female directors in Latin America (17.6%) has increased by 2.4 percentage points since 2015 (15.2%) and the number of boards with three or more female directors more than doubled from 15.0% in 2015 to 31.8% in 2020.

## % of member companies with one or more and three or more women on their board



# Representation of women in members' CEO and senior management positions

Over one third of senior management positions within ICMIF member companies were held by women in 2020. This figure is almost double the insurance industry average of 17%<sup>7</sup>.

This has been a notable growth in the proportion of senior executives at ICMIF members companies over the past 10 years, increasing from around a quarter in 2010.

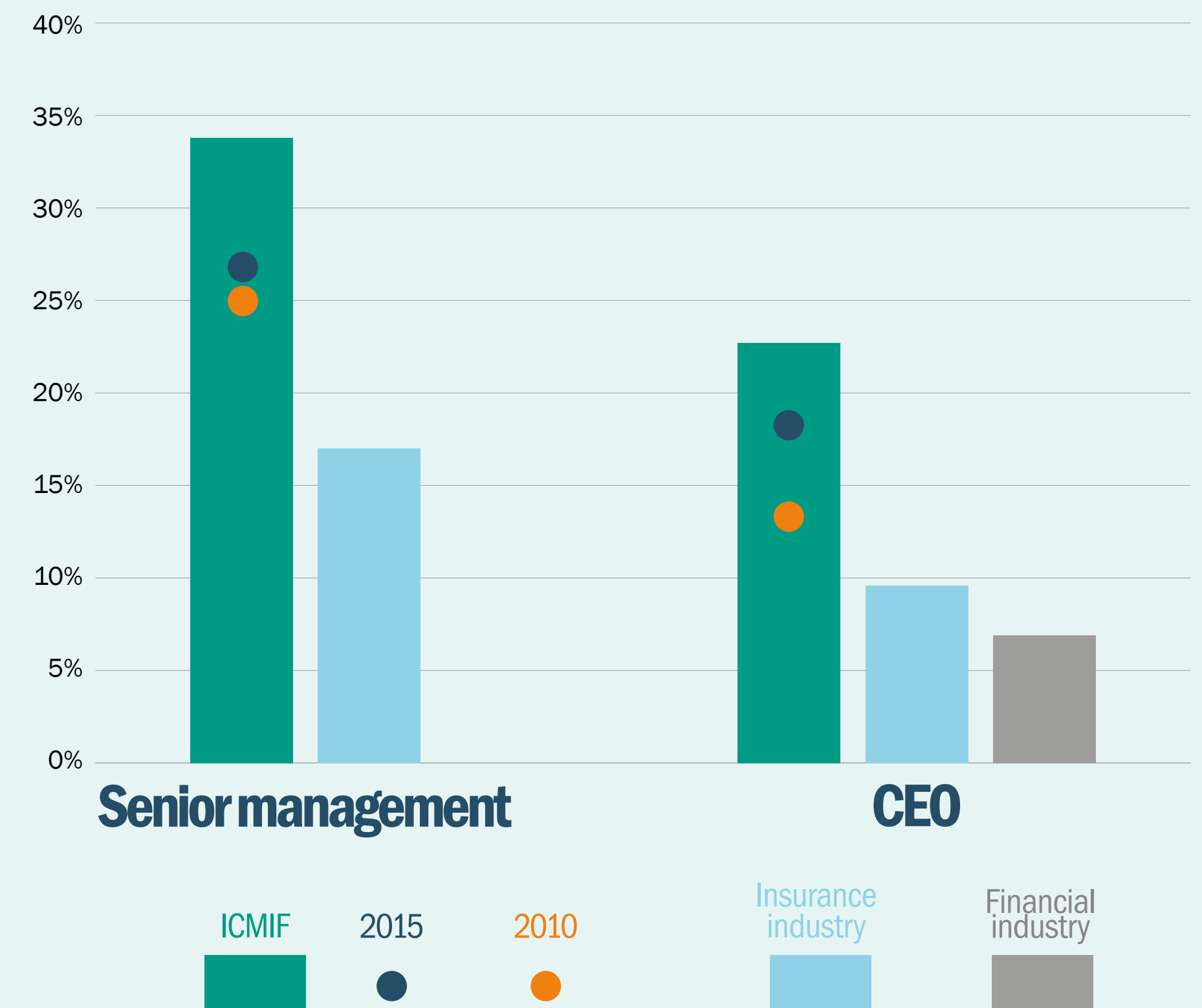
The number of female CEOs increased from 18.1% in 2015 to 22.7% in 2022, and was well above the financial services industry average<sup>8</sup> and the insurance industry average<sup>9</sup> of 6.9% and 9.6% respectively.

At a global level, ICMIF members saw a similar growth trend in the proportion of female CEOs over the past five years as it did in the period between 2010 and 2015. This is a comparable amount of growth found in the last five year period report from 2010 to 2015.

On a size level, smaller member companies had the largest percentage of women in CEO (42.3%) and senior management positions (27.5%), followed by medium- and then large-sized companies. There was little difference in the percentage of female CEOs between medium and large companies.

Company size	Senior management	CEO
Small	42.3%	27.5%
Medium	37.3%	19.6%
Large	25.3%	19.4%

## Women in CEO and senior management positions



<sup>7</sup> Data on average women on C-suite in the insurance industry in 2019 from Swiss Re Institute report *Gender diversity in the insurance industry: for a sustainable future 2021* ©2021 Swiss Re Institute.

<sup>8</sup> Data on percentage of female CEOs by sector in 2021 from MSCI ESG Research *Women on Boards: Progress Report 2021*, ©2020 MSCI ESG Research Inc. Reproduced by permission

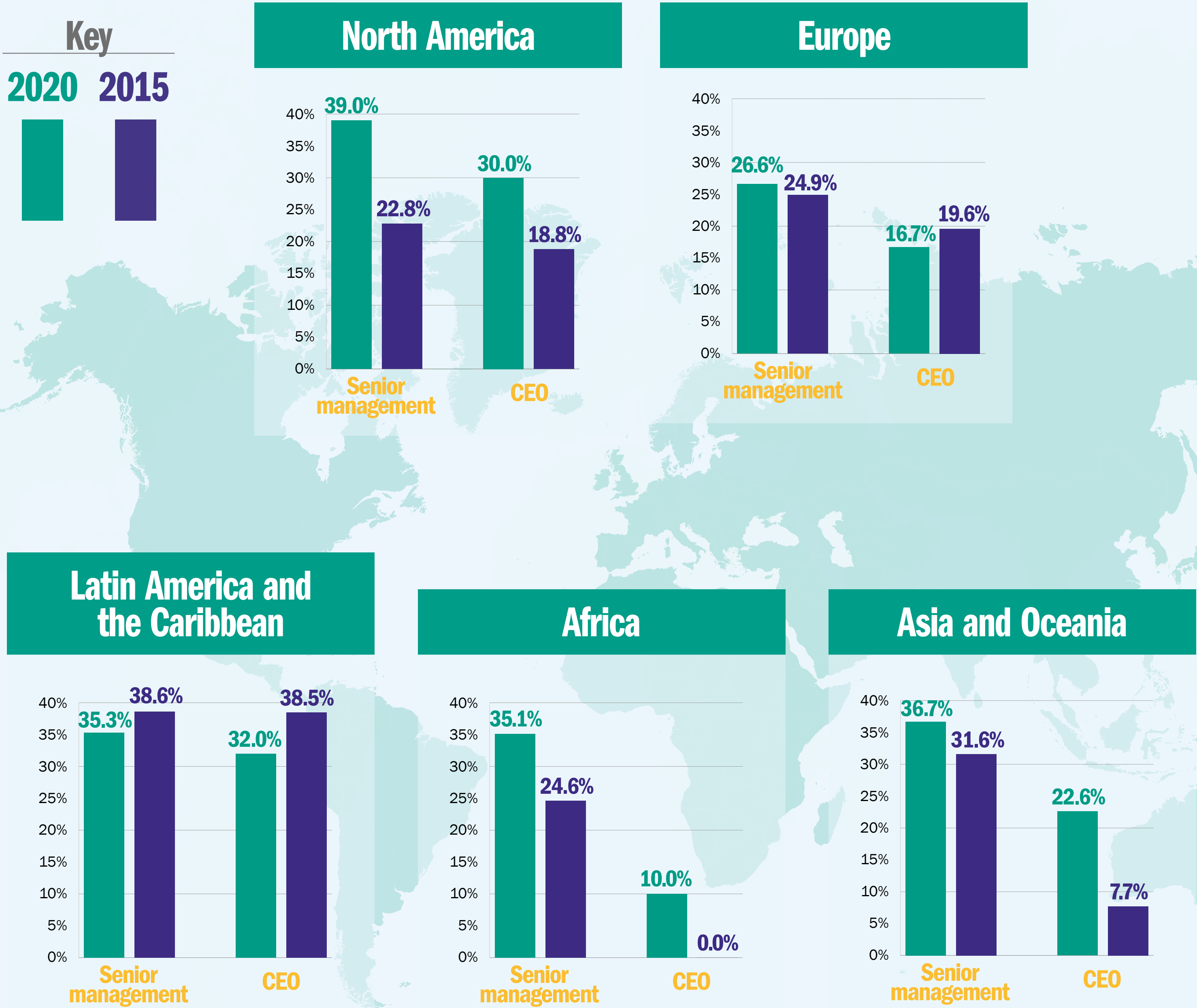
<sup>9</sup> Data on average women in CEO positions in the insurance industry in 2019 from Swiss Re Institute report *Gender diversity in the re/insurance industry: for a sustainable future 2021* ©2021 Swiss Re Institute.

# Representation of women in CEO and senior management positions by region

Analysis at a regional level shows that North American members had the largest female representation at a senior management level at 39.0%, and also the greatest increase from 2015 (22.8%). Conversely, members in Europe had the lowest female representation at senior management level (26.6%).

Latin America had the largest proportion of female CEOs (32%) followed by Asia and Oceania (23%). The latter experienced a sizeable increase of 14.9 percentage points from 2015. The representation of women at CEO level at African members rose to 10% in 2020 (from zero five years ago).

In Latin America, the percentage of women in both CEO and senior management positions at member companies saw a decrease of 6.5 and 3.3 percentage points respectively.



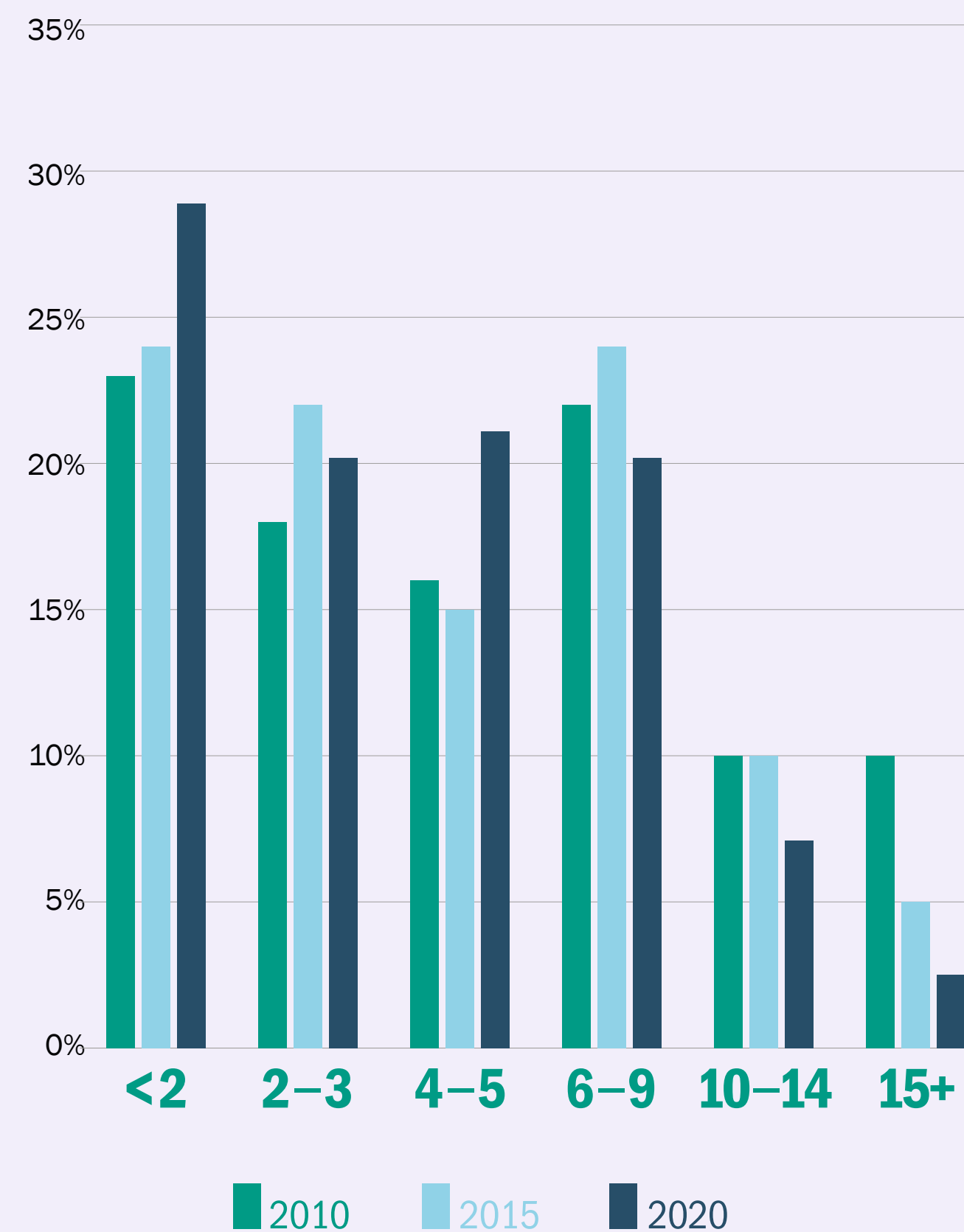


# Board tenure

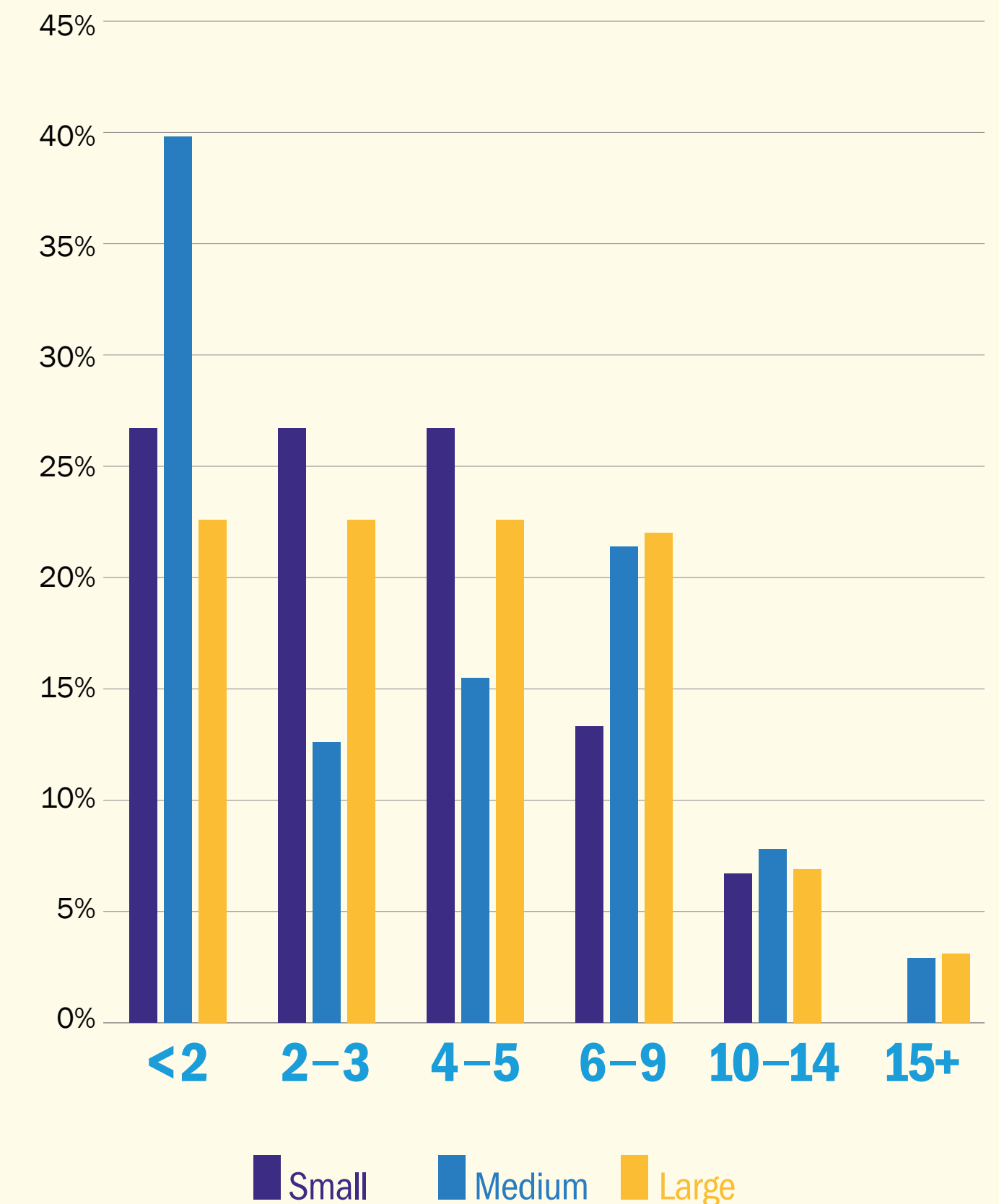
The average tenure of directors on ICMIF members' boards in 2020 was 4.3 years, a decrease from 5.5 years in 2015. Almost half (49.1%) of current directors have served for three years or less, compared to 46% in 2015 and 41% in 2010. Almost 90% of directors have served on boards for less than nine years (2015: 85%; 2010: 80%) and only 2% have served for over 15 years (2015: 5%; 2010: 10%). This follows the trend seen in 2015 and suggests that members may be seeking to reduce long tenures among their board directors.

Average director tenure ranged by one year between small-, medium- and large-sized companies (3.8 to 4.8). Large and small member companies saw an equal split between directors who had served for under two, two-to-three and four-to-five years. The majority of directors on boards at medium-sized companies had served for less than two years. No directors on the boards of small sized companies had served over 15 years, with only 13.5% of director serving for six-to-nine years, and none serving longer than 14.

## Distribution of directors' tenure (years)



## Board director tenure (years) by company size



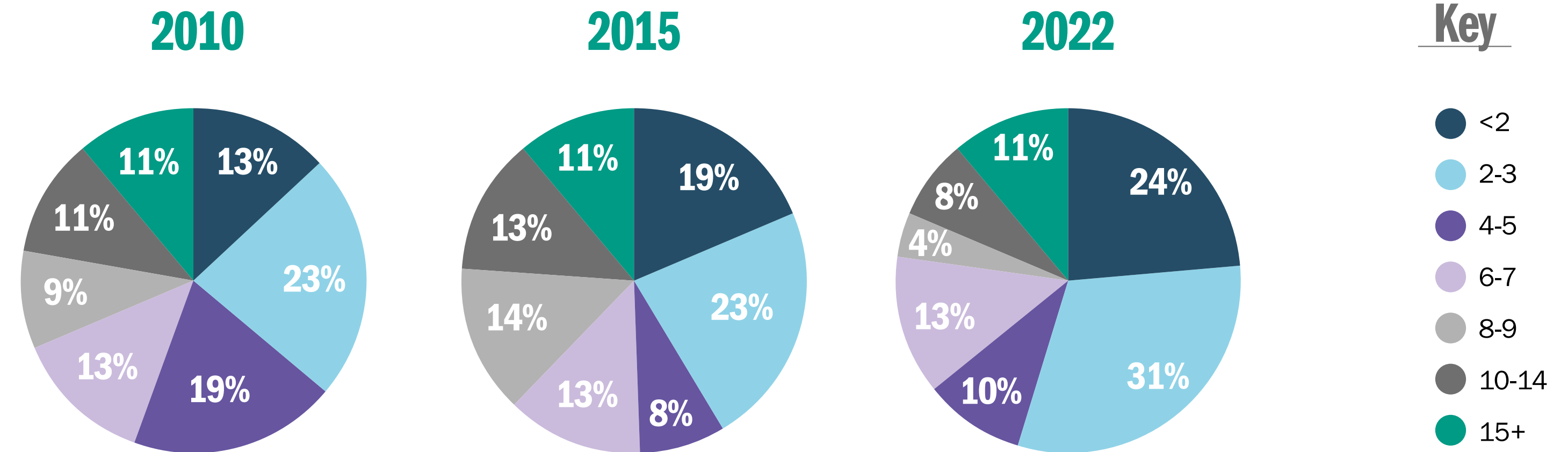
# CEO tenure

Over half (54%) of ICMIF members' CEOs have served for less than four years in 2022, an increase from 42% in 2015 and 36% in 2010. The number of CEOs serving over 15 years has stayed consistent at 11% over the period covered in this analysis. Compared to 2015, when CEO tenure was more varied, over half of CEOs had served for under four years in 2022. There has also been an increase in the number of CEOs who have served for under two years in 2022 (24%) compared to 2015 (19%).

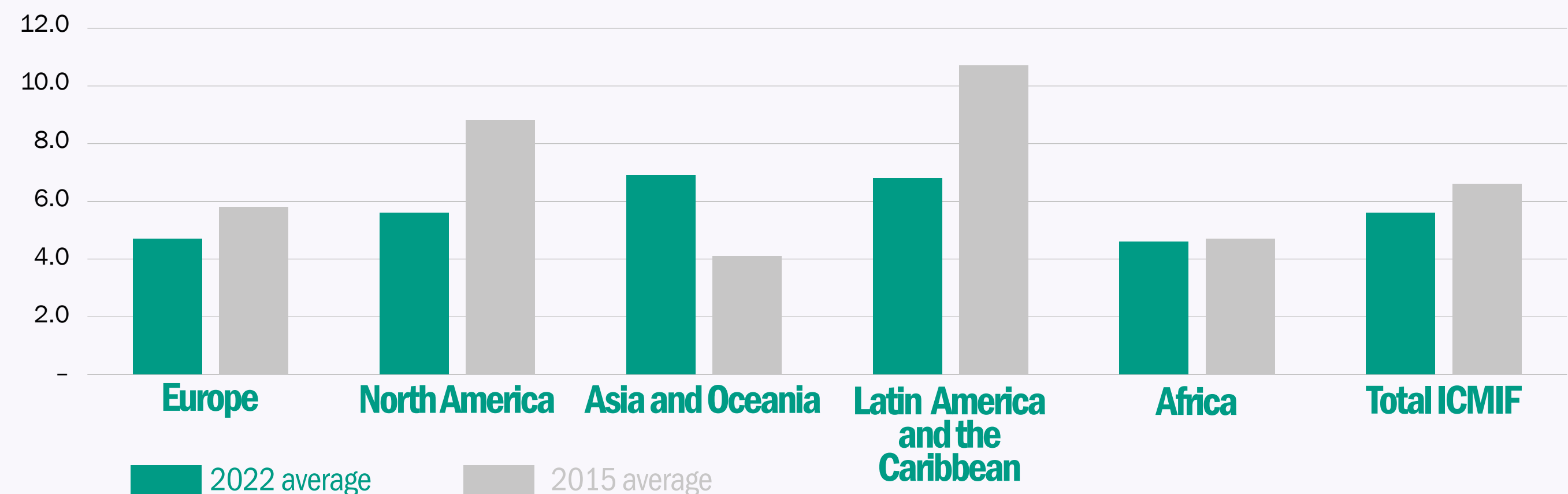
The average tenure of ICMIF members' CEOs was 5.6 years in 2022, a decrease from 6.6 in 2015. Asia and Oceania (6.9 years) closely followed by Latin America (6.8) had the longest average tenure, while Africa (4.6) and Europe (4.7) had the shortest. Latin America showed the biggest decrease in average tenure, at 6.8 years, down from 10.7 in 2015, while Asia and Oceania was the only region where CEO tenure increased, from 4.1 in 2015 to 6.9 in 2022.

The amount of variation between regions also decreased in 2022, with a range of 2.4 years compared to 6.8 years in 2015.

## Distribution of CEO tenure (years)



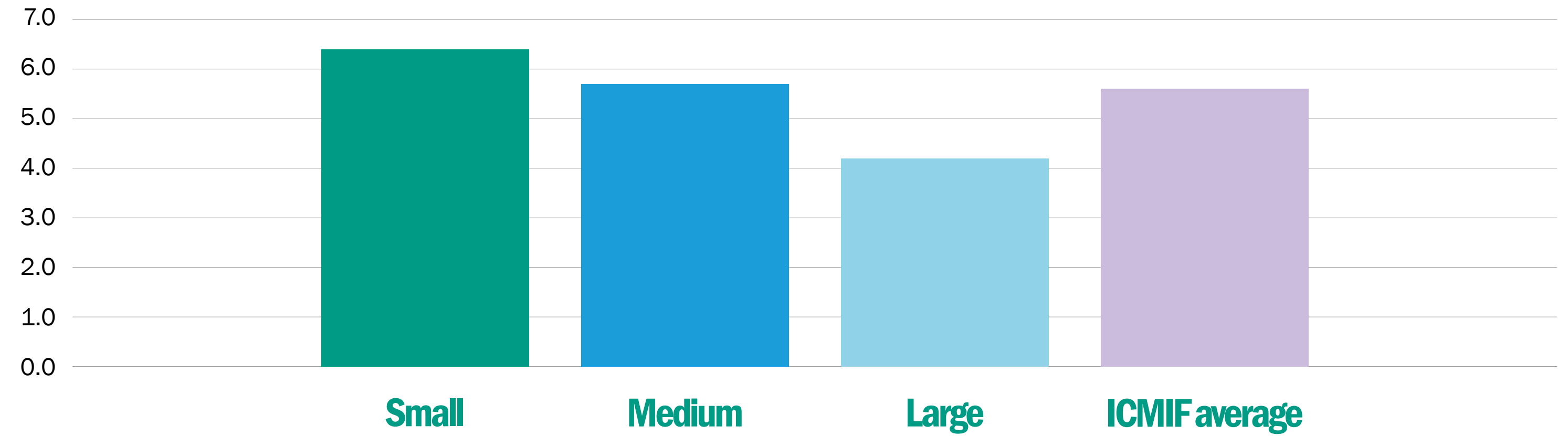
## Average CEO tenure by region (years)



When comparing CEO tenure by company size, large companies have the shortest average CEO tenure, at 4.2 years. Small companies have the longest at 6.4. Half of CEOs at small companies had served for under four years, compared to large companies where almost two thirds had been in their positions for less than four years.

More than 90% of CEOs at large companies had served for under nine years, while only 76.5% at medium and 79.4% small companies had.

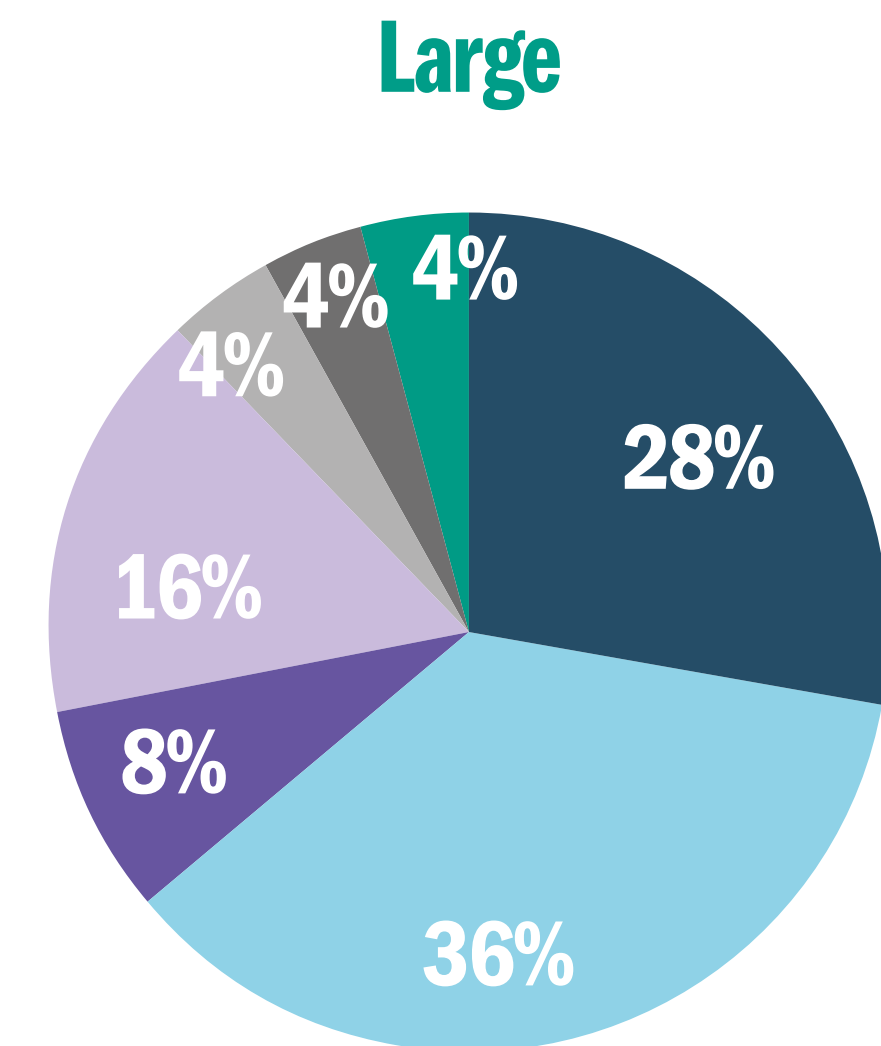
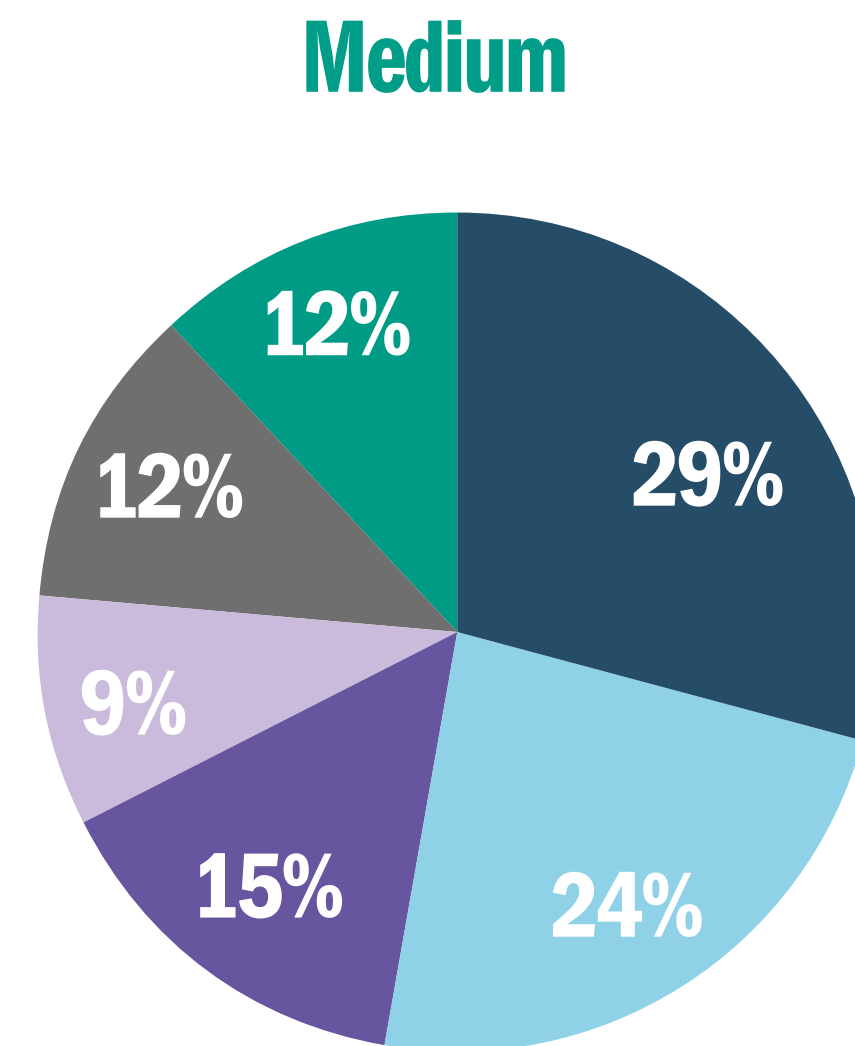
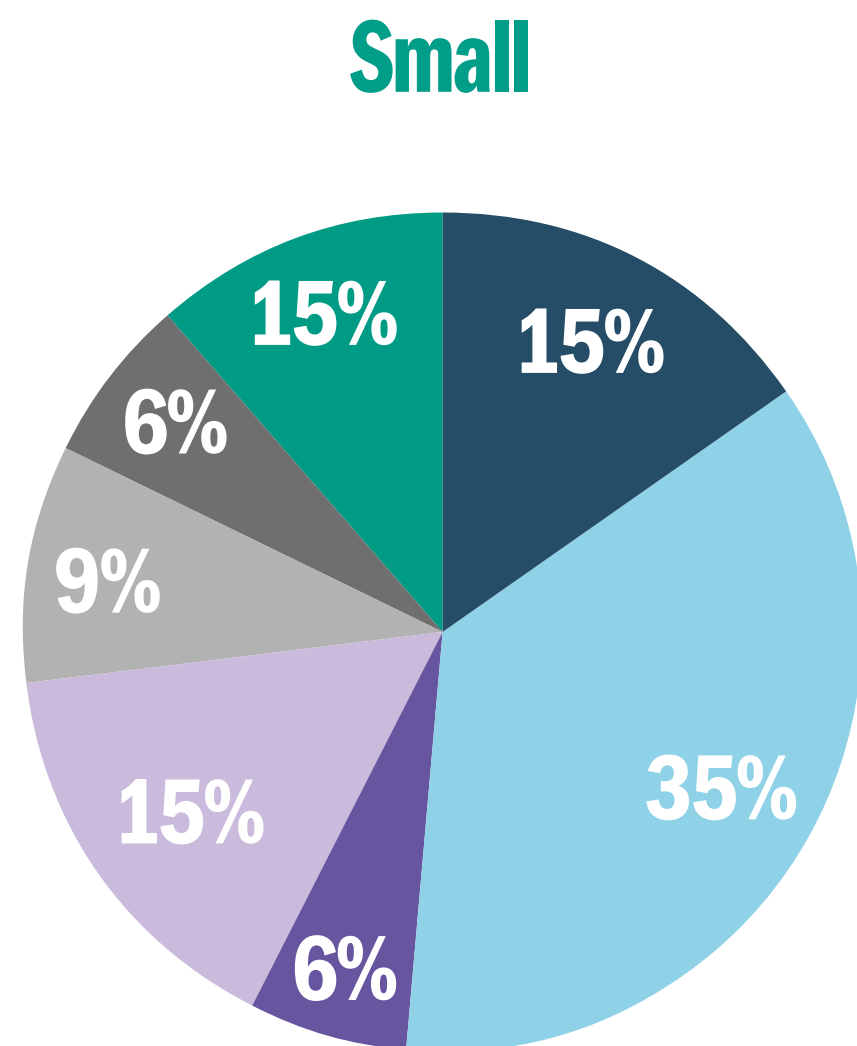
### Average CEO tenure (years) by company size



### Distribution of CEO tenure (years)

Key

- <2
- 2-3
- 4-5
- 6-7
- 8-9
- 10-14
- 15+



# ICMIF

## Members' Governance 2022

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