

Insurance Sector- Evaluation Criteria For Best Presented Annual Reports [Nepal]

Name of the Evaluator:				
Name of the Insurance Company:				
Distribution of Marks under different criteria				
Items	Break up Marks	Marks Given	Page Ref.	Comments, if any
Corporate Objectives, Values & Structure	5			
Vision, Mission Statement/Overall strategic objectives	1			
Core values and code of conduct / ethical principles	1			
Profile of the Company (including Group company, if any)	1			
Director's profiles and their representation on Board of other Companies and Organization Chart	2			
Management Report / Commentary and analysis including Director's Report / Chairman's Review/CEO's Review etc.	12			
Review of company's performance with the management's objectives and strategies	3			
Description of the performance of the various activities / products / segments of the company and its group companies during the period under review (Weightage to be given for pictorial / graphical / tabular presentations used for this purpose).	2			
A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	2			
Strategy of future prospects/outlook of the entity covering financial and non-financial issues	2			
Information on how the company contributed to its responsibilities towards the staff (including health & safety)	1.5			
Information on company's contribution to the National Economy	1.5			
Integrated Reporting	8			
Entity's Corporate Social and Environmental Policy	2			
Social Responsibility Initiatives (such as community investment & welfare scheme, consumer protection measures, energy conservations, national cause donations, Environment & Social Obligations and Related Initiatives	3			
Integrated Reporting initiatives including G4 Guidelines	1			
Business Ethics and Anti-Corruption Measures	1			
Appropriateness of Disclosure of Accounting policies and General Disclosures	10			
Disclosures of adequate accounting policies relevant to assets, liabilities, income and expenditure, in line with applicable financial reporting standards	3			
Specific accounting policies on applicable areas (such as revenue recognition, employee benefits, related party, events after reporting period, income tax, foreign exchange, lease, etc.)	2			
Impairment of Assets	1			

Compliance Statement of applicable Reporting Standards	1			
Segment Information				
Comprehensive segment related information bifurcating segment revenue, segment results and segment capital employed	1			
Availability of information regarding different segments and units of the entity as well as non-segmental entities/units	1			
Segment analysis of	1			
Revenue/Turnover				
Operating Profit				
Net Segment Assets				
Financial Statements (Including Formats)	15			
Statement of Financial Position / Balance Sheet and relevant notes	2			
Statement of Comprehensive Income/ Income Statement / Profit and Loss Account and relevant notes	2			
Statement of Cash Flows	1			
Statement of Changes in Equity / Reserves & Surplus Notes	1			
Consolidated Financial Statement (CFS) - if applicable	1			
Disclosure of Type of Share Capital	1			
Disclosures / contents of Notes to Accounts	1			
Comprehensive Related Party Disclosures	1			
Disclosures of all Contingencies and Commitments	1			
Disclosures of remuneration and facilities provided to Directors & CEO	1			
Extent of compliance with the National Standards [NAS/NFRS]	3			
Information about Corporate Governance	10			
Board of Directors, Chairman and CEO	1			
Audit Committee (Composition, Role, Meetings, Attendance, etc), Internal Control & Risk Management	1			
Ethics And Compliance	1			
Remuneration and other Committees of the Board	1			
Human Resource Management Policies including Succession Plan	1			
Policy for the maintenance and back-up of records of the entity	1			
Communication To Shareholders and Stakeholders				
- Information available on website	0,5			
- Other information	0,5			
Boards review on Internal Control Systems	1			

Disclosure by Board of Directors or Audit Committee on evaluation of quarterly reports	1			
Any other investor friendly information	1			
Risk Management & Control Environment	5			
Description of the Risk Management and Control Environment Framework	2			
Risk Control and Mitigation Methodology	2			
Disclosure of Risk Reporting	1			
Stakeholders Information	3			
Distribution of shareholding (Number of shares as well as category wise, e.g Promoter group, FII etc)	1			
Shares held by Directors/Executives and relatives of Directors/Executives	1			
Redressal of investors complaints	1			
Graphical/ Pictorial Data:	3			
Earnings per Share	0.5			
Net Assets	0.5			
Stock Performance	0.5			
Shareholders' Funds	0.5			
Return on Shareholders Fund	0.5			
Market Capitalisation	0.5			
Horizontal/Vertical Analysis/Trend Analysis including following.	5			
Operating Performance / Income Statement (2.5 Marks)				
Total Revenue	0.5			
Operating profit	0.5			
Profit Before Tax	0.5			
Profit after Tax	0.5			
Earning Per Share	0.5			
Statement of Financial Position / Balance Sheet (2.5 Marks)				
Shareholders Fund	0.5			
Property Plant & Equipment	0.5			
Net Current Assets	0.5			
Current Liabilities	0.5			
Long Term Liabilities	0.5			
Profitability / Dividends / Performance and Liquidity Ratios	3			
Gross Profit Ratio/ Operating Profit Ratio	0.5			
Earning before Interest, Depreciation and Tax	0.5			
Price Earning Ratio	0.5			
Current Ratios	0.5			

Return on Capital Employed	0.5			
Debt Equity Ratio	0.5			
Statement of Value Added and Its Distribution	4			
Government as Taxes	0.5			
Shareholders as Dividend	0.5			
Employees as Bonus/Remuneration	0.5			
Retained by the Entity	0.5			
Market share information of the Company's Product/Services	1			
Economic Value Added	1			
Presentation of Financial Statements	4			
Quality of the Report/ Layout of Contents	1			
Cover and printing including the theme on the cover page	1			
Clarity, simplicity and lucidity in presentation of Financial Statements	1			
Effectiveness of photographs and their relevance	0.5			
Effectiveness of Charts and Graphs	0.5			
Timeliness in issuing Financial Statements and holding AGMs	10			
3 months time to produce the Annual Report and hold AGM are considered reasonable for full marks				
Delay after the initial period of 3 months - deduction of 2 marks is to be made for each month				
If the period is over 6 months – no marks shall be awarded				
Additional Disclosures	3			
For Example				
Human Resource Policy (Including significant changes in HR)	1			
Other Disclosures (Independence certification Eg GNV / GRI)	0.5			
Achievment and corporate awards received during reporting period/Prior period	0.5			
Share Price Sensitivity Analysis	0.5			
Geographical Presence/Network	0.5			
Total Marks	100			
Specific Areas/ Disclosures by Insurance Companies	10			
Claims management and details of outstanding claims (IBNR & IBNER) with ageing / outstanding claim reporting	2			
Disclosures pertaining to Solvency Margin in case Life Insurance Business	2			
Certificate of actuary giving details of the liabilities on account of live policies and estimates/assumptions made for the same (only for life insurance)	2			
Accounting Ratios pertaining to Insurance Sector	2			
Review of Assets Quality	2			
Total Marks	110			