



Chartered
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Building a modern and transparent governance structure

CII's model for a more modern and inclusive
board structure



CII's model for a more modern and inclusive Board structure

The CII's Strategic Manifesto reinforced its commitment to become a modern, relevant and diverse organisation. An essential part of this journey is ensuring that governance structures are modern and transparent.

The UK Corporate Governance Code 2018 advises that:

"A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value to stakeholders* and contributing to wider society...the board and its committees should have a combination of skills, experience and knowledge."

Following a review of current governance, CII is proposing the following improvements to its Board structure:

1. The appointment of an Independent Chair of the Board.

Having an independent Chair rather than the President acting as Chair will enable the President to focus on their ambassadorial role. The Chair will be appointed for a maximum of six years. This will ensure greater consistency and will allow the CII CEO, Company Secretary and Executive Management Team to be able to work with the Chair on a long-term basis to ensure the Board can drive strategy, ensure compliance with relevant regulations and governance practice and progress the CII's public trust agenda effectively.

- I. The Chair can be a member of the CII. However, in line with the recommendations in the UK Corporate Governance Code, their independence is defined as "someone who (except where previously appointed as Independent Chair) has not had in the last three years a material business relationship with the Institute, either directly or indirectly as partner, director or senior employee of a body that has (or had) such a relationship with the Institute".
- II. The Immediate Past President will no longer sit on the Board but will transfer to the Past Presidents alumni group which meets with the Executive Management Team.

2. The Chairs of the four Board Committees will be full Board Members

Audit and Risk Committee (ARC), Education and Learning Committee (ELC), Nominations and Remuneration Committee (NRC) and Professional Standards Committee (PSC).

- I. The current Board composition requires two Board Members to be lay (meaning not members of the CII and from outside of the profession). The Chairs of PSC and ELC will continue to be lay.

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3. The Board will have four engagement member roles;

these roles will be open to any CII member who has current experience of member engagement (i.e. Local Institute (LI) Council members, members of Personal Finance Society (PFS) regions, members of the international market advisory groups etc).

- I. The requirements for the role will be assessed by the NRC each time a vacancy arises. Vacancies will be widely advertised to members, including notification being provided to the Local Institute National Forum (LINF).
- II. The NRC will oversee the application and selection process to ensure compliance with the principles set out in the UK Corporate Governance Code which include having a "formal, rigorous and transparent" procedure based on merit and objective criteria which promotes diversity.
- III. The existing constituency members on the Board will attend the NRC meetings when the roles are discussed and two of them will sit on the selection panel which will shortlist and interview applicants for the role.
- IV. Mechanisms will be developed to ensure that the member roles can engage with all members (i.e. attendance at a bi-annual webinar).
- V. The member roles will be required to attend Network Conference/LINF meetings. Network Conference will take place twice a year and attendance will be widened.
- VI. The LINF will be involved in the selection of CII Vice Presidents for Local Institutes who will be invited to attend Board meetings. Two Board meetings will have specific agenda items for them to discuss LI issues.
- VII. A member of National Forum will sit on each of the Board Committees.

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