

GIA
Guidelines on Continuous Professional
Development

BACKGROUND

The General Insurance Association of Singapore (GIA) established the *Committee on Enhancement of Standards in General Insurance (CESGI)* in August 2001 to transform the industry and help it meet the challenges of the global marketplace

The CESGI reform takes an industry-wide approach. The requirement for training and competency will apply to all 'front end operatives' (FEOs) in all sectors of the industry - agents, brokers and insurance companies.

CESGI introduced the following:

- A Code of Practice which sets minimum standards regulating the sales, advisory and service standards of the general insurer, intermediary (including agents and brokers) and anyone acting for the general insurer; and
- A new industry training and competency standards which will require insurance company staff, brokers and agents who deal with customers to have relevant industry qualifications. In addition, all front-end operatives who sell more than one product will be required to undergo a minimum of 30 hours of continuous professional development (CPD) training each year. The CPD training requirement will be set at 24 hours over the next 12 months as the reforms are introduced, but will then be increased to 30 hours a year thereafter.

Training and competency covers the two main areas of qualifications and on-going professional training and development.

The following recommendations outline the industry structure for Continuous Professional Development (CPD).

Continuous Professional Development (CPD)

With effect from 1 January 2003, all *Front End Operatives (FEOs)* employed in insurance companies and broking offices as well as insurance agents, are required to meet minimum requirements for CPD annually. FEOs refer to personnel engaged in sales and/or providing insurance advisory services and/or handling claims.

Objectives And Desired Outcomes

- c) To ensure that FEOs attain minimum industry standards of competence and professionalism to meet the demands of a fast changing industry;
- d) To enhance the capabilities of FEOs; and
- e) To ensure training activities under CPD programme must be substantively related to general insurance knowledge and skills.

Objectives of CPD Requirements

- To promote training and competency of company staff and intermediaries
- To raise the standard of service to customers through training employees of insurance companies and intermediaries to the required level of competence.
- Insurers and brokers will be able to ensure that their FEOs remain competent even when their roles or responsibilities have changed.

1. Minimum Training Hours

Twenty-four (24) hours of CPD would be required for all FEOs (excluding those selling life products and single product) for year of implementation 2003 and 30 hours CPD annually from 2004 onwards.

Eight (8) hours of CPD for life agents who also sell general insurance in addition to the 30 hours which they have accumulated as agent for life products.

The above requirement also applies to agents identified in the 'grandfather clause' as well as nominees of corporate agents.

2. Training for knowledge and skills

The CPD hours per annum include the following:

- maintenance and updating of knowledge and skills appropriate to FEOs' activities and responsibilities; and
- development of new knowledge and skills to assist FEOs in their current or future roles

Definition:

- c) Knowledge- may include insurance law, specialist risk categories, the regulatory requirements relating to professional obligation (including confidentiality, disclosure of material information, persistency etc); and company and industry guidelines.
- d) Skills- relating to the practice of general insurance principles or sales management and may include prospecting, fact-finding interview, situation analysis and planning, problem solving, interpersonal communication, counseling, negotiation, etc.

3. Types of Training Activities

General Insurers and brokers are responsible for the continuous professional development of their FEOs. They must determine the training needs of their FEOs and develop training that address those needs.

General insurers will not be responsible for the CPD requirements of agents. Agents will be responsible for their own development and upgrading their skill and knowledge.

3.1 In-House Training Activities

Courses, workshops, seminars or conferences conducted by general insurance companies or brokers either by their own staff/trainers or by external vendors, solely for the employees or agents of the insurance companies or employees of the broking companies.

Where it is conducted by external vendors, the course, workshop, seminar or conference must be customized for that company in terms of contents, duration of hours, etc.

3.2 External Training Activities

Courses, workshops, seminars or conferences conducted by external training providers/vendors. Such courses are generic in terms of contents, duration of hours, etc

4. Application Procedures By External Training Providers/Vendors For Accreditation Of Training Activities

4.1 Responsibilities of training providers/vendors in respect of courses, workshops, seminars or conferences

- a) They must submit using the GIA prescribed CPD application for each programme, course, workshop, seminar or conference;
- b) They must specify in the application form its recommended number of CPD accreditation hours for the course, workshop, seminar or conference;
- c) For each course, or workshop, they must provide a *certificate of attendance* to each participant who must achieve at least 75% attendance. Such certificate must be provided within one month of the completion of the course or workshop and must indicate the following:
 - Name of participant, time, date and location of course or workshop
 - Number of CPD hours accredited
- c) For seminar or conference, training provider/vendor must provide a *List of Attendance* to employers of the FEOs (applicable to employees of insurance companies and brokers). For agents, such list is to be provided to the *Agents Registration Board (ARB)*. The List of Attendance must include the following information:
 - Name of participant, time, date and location of seminar and conference
 - Number of CPD hours accredited
 - Only participants who had achieved 75% attendance are included in the list

The provider of such seminar or conference must retain for a minimum of 2 years after the seminar, conference, an official attendance list that had been signed off by the participants.

4.2 Application procedures to CPD Assessment Committee

As accreditation of external vendor will only commence in 2003, the Singapore College of Insurance and vendors who have provided appropriate programmes to GIA and SIBA members during 2001 and

2002 and are recommended by them shall be deemed to have interim

accreditation by the Committee from 1 January 2003 to 31 December 2003. A list of external vendors that qualify under these guidelines must be lodged with the Committee by January 15th 2003.

Vendors, whose programme were not included in the initial list, can start to apply from January 2003 provided they are recommended by GIA or SIBA members who are satisfied with the quality of the particular course or program.

Information provided to the Committee should include appropriate evidence of the relevance of their programmes and their competence to conduct these programmes.

These vendors will be required to conduct their programmes in accordance with the specifications in Sections 4.1 (a), 4.1 (b) 4.2.(a) and 4.2.(b) of these Guidelines.

- a. Submission of GIA CPD application form to CPD Assessment Committee. Application for CPD must be sought at least 60 days prior to the commencement of the activity and 2 weeks before the assessment date.

- b. Assessment dates for 2003 are fixed on 1 April, 3 June, 5 August, 7 October and 2 December. There will be no assessment in between these dates.

5 Roles of the CPD Assessment Committee

- a. Ensure that the criteria set for application review are impartial and relevant;
- b. Reports quarterly to the GIA Training and Education Committee
- c. All decisions made are final and no appeals would be accepted

6 Ways Of Earning CPD Hours

To meet the minimum requirement, FEOs can earn the hours in one of the following ways:

- a. Attendance at CPD-accredited activities (in-house or external)
- b. Attendance at the examination of CPD-accredited courses. Separate hours for examinations will be credited, only once upon passing.
- c. Attendance at the tutorials of CPD-accredited courses. For consecutive failures in examinations, tutorial hours will still be credited (i.e., all repeats of tutorials leading to examination). For those who chooses not to attend tutorials but passes the examinations, full tutorial hours (once only) will be credited only upon passing of the examinations
- d. E-learning, online course ware, subject to criteria set by the CPD Assessment Committee

- e. Speaking, teaching or moderating at a CPD-accredited activity. One CPD hour for each hour of speaking, teaching or moderation.
- f. Serving on committees of GIA, SIBA and SII
- g. Migration of FEO from Company A to Company B only allow 100% of the CPD hours undergone with Company A to be carried over to Company B. Additionally, FEO needs to be trained on Company B's products and procedures.
- h. New entrants who join on or after 1st October are not required to clock CPD hours during their first year. Clocking of CPD hours will commence from January of the following year.

See chart of activities in website www.gia.org.sg