

Circular No. ID 08/07

22 June 2007

To Principal Officers  
General Direct Insurers and Composite Direct Insurers

Dear Sir/Madam

### **REVISION OF MAS NOTICE 211**

MAS Notice 211 sets out mandatory minimum requirements as well as non-mandatory best practice standards for general direct insurers in relation to their staff, front-end operatives, insurance agents who are natural persons and staff of insurance intermediaries which are corporations, other than staff of insurance brokers.

2 MAS Notice 211 has been amended to include the Certificate of Proficiency in Foreign Domestic Worker Insurance offered by the Singapore College of Insurance (SCI) as an acceptable qualification in lieu of the Certificate in General Insurance (CGI). This only applies in respect of insurance agents and staff of corporate insurance intermediaries, other than staff of insurance brokers, who sell foreign domestic worker insurance only.

3 The revised MAS Notice 211 will take effect on 22 June 2007 and a copy of this Notice is enclosed.

4 Please contact your Company's liaison officer in MAS should you require further clarification. Thank you.

Yours faithfully

[sent via MASNet]

LOW KWOK MUN  
EXECUTIVE DIRECTOR  
INSURANCE SUPERVISION DEPARTMENT

Notice No : MAS 211  
Issue Date : 22 June 2007

## **MINIMUM AND BEST PRACTICE TRAINING AND COMPETENCY STANDARDS FOR DIRECT GENERAL INSURERS**

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### **Introduction**

1. This Notice is issued pursuant to section 64(2) of the Insurance Act (Cap. 142) [“the Act”] and applies to all direct general insurers. However, they do not apply to captive insurers, Protection & Indemnity Clubs, marine mutuals and financial guarantee insurers.

2. This Notice sets out the following:

#### Part I – Mandatory Requirements

(a) Minimum examination requirements for direct general insurers in relation to the training and competency of -

- (i) their staff;
- (ii) insurance agents who are natural persons; and
- (iii) staff of insurance intermediaries which are corporations, other than staff of insurance brokers (refer to MAS 502 for Minimum Standards and Continuing Professional Development for Insurance Brokers and their Broking Staff)

who sell or provide sales advice on the direct general insurers’ insurance products (hereinafter collectively known as “the Relevant Persons”); and

#### Part II – Non-mandatory Best Practice Standards

(b) Best practice standards to be observed by front-end operatives (“FEOs”).

### **Definitions**

3. For the purposes of this Notice:

“captive insurer” has the same meaning as in section 1A of the Act ;

“CGI qualification” means:-

(a) in relation to Relevant Persons who sell or provide sales advice on personal general insurance, qualification in the Basic Concepts and Principles of General Insurance (BCP) and the Personal General Insurance (PGI) modules of the Certification in General Insurance<sup>1</sup>;

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<sup>1</sup> The Certificate in General Insurance consists of 3 modules as follows:

- (a) Basic Concepts and Principles of General Insurance (BCP);
- (b) Personal General Insurance (PGI); and
- (c) Commercial General Insurance (ComGI).

(b) in relation to Relevant Persons who sell or provide sales advice on commercial general insurance, qualification in the Basic Concepts and Principles of General Insurance (BCP) and the Commercial General Insurance (ComGI) modules of the Certification in General Insurance;

“corporation” has the same meaning as in section 4 of the Companies Act (Cap. 50);

“direct general insurer” means an insurer registered under section 8 of the Act to carry on direct general insurance business but excludes any captive insurer, Protection and Indemnity Club, marine mutual and financial guarantee insurer;

“financial guarantee insurer” has the same meaning as in regulation 2 of the Insurance (Financial Guarantee Insurance) Regulations;

“front-end operatives” refers to staff of a direct general insurer engaged in any or all of the following activities:

- (a) sales of insurance products;
- (b) provision of insurance advisory services;
- (c) handling of claims;

“insurance broker” has the same meaning as in section 1A of the Act;

“insurance intermediary” has the same meaning as in section 1A of the Act;

“marine mutual” means an insurer registered under section 8 of the Act as a direct insurer registered to carry on general class of business who is permitted under its licence to write the mutual insurance of the liability and equipment risks of operators engaged in the unit load and multi-modal marine transport industry and such other risks as approved by the Authority;

“Protection and Indemnity Club” has the same meaning as in regulation 2 of the Insurance (General Provisions and Exemptions for Protection and Indemnity Clubs) Regulations 2004.

## **Part I – Mandatory Minimum Examination Requirements**

4. This Part sets out minimum examination requirements which are mandatory. A failure to comply with a mandatory requirement is punishable under section 55(2) of the Act.

5. A direct general insurer shall ensure that all its FEOs possess the CGI qualification before they are allowed to provide sales advice on or sell general insurance products or handle claims unless:

- (a) such staff are aged 45 years and above as at 1 June 2002. However, this group of staff must have attended all tutorials for the relevant CGI modules by 31 December 2002; or

(b) such staff have acceptable qualifications in lieu of the CGI qualification. The list of qualifications is at Annex 1.

6. A general direct insurer shall accept business only from the following persons:

(a) insurance agents who are natural persons who have obtained the CGI qualification;

(b) corporate insurance intermediaries whose staff selling or providing sales advice on the direct general insurer's products have obtained the CGI qualification

unless such insurance agents or staff of corporate insurance intermediaries

(c) were not required to obtain the CGI requirement when it was first introduced in 1990; or

(d) have acceptable qualifications in lieu of the CGI qualification. The list of qualifications is at Annex 1.

**Note:**

Under section 55(2) of the Act, any person who is guilty of any breach of duty imposed on him by any direction issued by the Authority (which would include the mandatory requirements set out in this Notice) under section 64(2), shall be liable on conviction to a fine not exceeding \$12,500 and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day during which the offence continues after conviction.

**Part II – Non-mandatory Best Practice Standards in Training and Competency**

7. This Part sets out non-mandatory best practice standards in training and competency which are developed by the General Insurance Association of Singapore (GIAS) to raise the standards of service to customers. A copy of the standards is available on the GIAS website at <http://www.gia.org.sg>. While these standards are not mandatory, the Authority expects all insurers to have regard to them so as to foster professional standards and enhance confidence in the insurance industry. These are as follows:

(a) A direct general insurer is expected to prepare and implement training and competency plans and maintain training and competency records for each FEO. A direct general insurer should ensure that its FEOs comply with the minimum number of hours stipulated for continuous professional development (CPD);

(b) A direct general insurer should accept business only from the following persons:

(i) insurance agents who are natural persons who have complied with the CPD requirement:

(ii) insurance intermediaries which are corporations and whose staff selling or providing sales advice on the direct general insurer's products have complied with the CPD requirement.

**Commencement and cancellation**

8. This Notice shall take immediate effect. MAS Notice 211 dated 31 March 2006 is cancelled.

**Persons possessing the following professional qualifications  
are not required to obtain the CGI qualification**

<b>Qualifications</b>	<b>Offered by Academic Institutions</b>
BSc Investment, Finance and Risk	City University, UK
MSc Insurance and Risk Management	City University, UK
Business Diploma (Insurance)	George Brown College of Applied Arts & Technology, Canada
BBA (Risk Management and Insurance)	Georgia State University, US
MBA (Risk Management and Insurance)	Georgia State University, US
MSc (Risk Management and Insurance)	Georgia State University, US
PhD in Risk Management and Insurance	Georgia State University, US
MBA (Actuarial Science) - must have chosen AS 8520 Principles of Property and Casualty Ratemaking as one of the electives	Georgia State University, US
Master of Actuarial Science - must have chosen the “Electives Outside the Major” from the risk management and insurance courses	Georgia State University, US
Diploma in Insurance	Glasgow Caledonian University, UK
BA Risk Management	Glasgow Caledonian University, UK
Diploma in Banking and Insurance Management	Nanyang Polytechnic, Singapore
Diploma in Banking and Financial Management - must have opted for the insurance-focused electives	Nanyang Polytechnic, Singapore
Diploma in Risk and Insurance Management	Nanyang Polytechnic, Singapore
Bachelor of Business in 1991 [Note: Only exempted from Basic Insurance Concepts and Principles module]	Nanyang Technological Institute, Singapore
Bachelor of Business (Insurance)	Nanyang Technological University, Singapore
Bachelor of Business (Actuarial Science)	Nanyang Technological University, Singapore
Bachelor of Business - must have chosen Actuarial Science & Insurance electives in his third year, viz BA 219, BA 329	Nanyang Technological University, Singapore
La Crosse: Finance Major – Risk and Insurance concentration	University of Wisconsin, US
Bachelor of Science in Economics (Actuarial Science) - must have chosen INSR 230 – Property and Liability Insurance Company Management and Policy as an elective	Wharton School, University of Pennsylvania, US

Bachelor of Science in Economics (Risk Management and Insurance)	Wharton School, University of Pennsylvania, US
Master of Business Administration (Insurance and Risk Management)	Wharton School, University of Pennsylvania, US
Master of Business Administration (Actuarial Science) - must have chosen INSR 825 – Property and Liability Insurance Company Management and Policy as an elective	Wharton School, University of Pennsylvania, US
PhD in Insurance and Risk Management	Wharton School, University of Pennsylvania, US

<b>Qualifications</b>	<b>Offered by Professional Institutions</b>
Certificate IV in Financial Services (General Insurance)	Australian and New Zealand Institute of Insurance and Finance
Diploma of Financial Services (General Insurance)	Australian and New Zealand Institute of Insurance and Finance
Affiliate of AII (General)	Australian Insurance Institute
Diploma of AII (General)	Australian Insurance Institute
AAII	Australian Insurance Institute
FAII	Australian Insurance Institute
Certificate III in General Insurance <sup>2</sup>	Australian Insurance Institute
Statement of Attainment in Insurance Practice	Australian Insurance Institute
Certificate IV in General Insurance	Australian Insurance Institute
Diploma in Business (General Insurance)	Australian Insurance Institute
Statement of Attainment in Advanced Insurance Practice <sup>3</sup>	Australian Insurance Institute
Certificate of Insurance Practice	Chartered Insurance Institute, UK
Certificate of Proficiency	Chartered Insurance Institute, UK
ACII	Chartered Insurance Institute, UK
FCII	Chartered Insurance Institute, UK
Diploma in Insurance	HK Institute of Vocational Education
Higher Diploma in Insurance	HK Institute of Vocational Education
Associateship of the Institute of Actuaries (AIA)/ Associateship of the Faculty of Actuaries (AFA) - must have chosen subject 303 General Insurance as an elective	Institute of Actuaries/Faculty of Actuaries, UK
Fellowship of the Institute of Actuaries (FIA)/ Fellowship of the Faculty of Actuaries (FFA) - must have chosen subject(s) 303 General Insurance and/or 403 UK Fellowship: General Insurance as an elective	Institute of Actuaries/Faculty of Actuaries, UK
Fellowship of the Institute of the Actuaries of	Institute of the Actuaries of Australia <sup>4</sup>

<sup>2</sup> The Statement of Attainment in Insurance Practice comprises four modules from Certificate III in General Insurance and two modules from Certificate IV in General Insurance.

<sup>3</sup> The Statement of Attainment in Advanced Insurance Practice comprises four modules from Certificate IV in General Insurance and two modules from Diploma in Business (General Insurance).

Australia (FIAA) - must have chosen Subject 3 – General Insurance as one of the electives for Part III of the programme	
General Insurance Essentials (GIE)	Insurance Institute of Canada
Associateship of the Insurance Institute of Canada	Insurance Institute of Canada
Chartered Insurance Professional (CIP)	Insurance Institute of Canada
Fellowship Programme (FCIP)	Insurance Institute of Canada
Licentiate Exam (Non-life)	Insurance Institute of India
Associateship Examination	Insurance Institute of India
Fellowship Examination	Insurance Institute of India
Certificate of Insurance Practice	Malaysian Insurance Institute
Diploma in Insurance (General)	Malaysian Insurance Institute
AMII	Malaysian Insurance Institute
FMII	Malaysian Insurance Institute
Certificate in Basic Course	Non-Life Insurance Institute of Japan
Diploma in General Insurance (DGI)	Singapore College of Insurance
Certificate of Proficiency in Travel Insurance (For insurance agents and staff of corporate insurance intermediaries, other than staff of insurance brokers, selling travel insurance only)	Singapore College of Insurance
Certificate of Proficiency in Foreign Domestic Worker Insurance (For insurance agents and staff of corporate insurance intermediaries, other than staff of insurance brokers, selling foreign domestic worker insurance only)	Singapore College of Insurance
Certificate of Proficiency in Card Protection Insurance <sup>5</sup> (For insurance agents and staff of corporate intermediaries, other than staff of insurance brokers, selling card protection insurance only)	Singapore College of Insurance
Certificate in Insurance and Financial Services [Note: Only for those who have completed “Basics of General Insurance” as one of the modules]	Singapore College of Insurance
ASII	Singapore Insurance Institute
Associateship of the Society of Actuaries (ASA)	Society of Actuaries, US
Fellowship of the Society of Actuaries (FSA)	Society of Actuaries, US
Chartered Property and Casualty Underwriter (CPCU)	The American Institute
Certificate in Ordinary Qualification for Non-Life Insurance Agency by GIA (Japan) [Note: Only exempted from Basic Insurance Concepts and Principles module]	The General Insurance Association of Japan

<sup>4</sup> Note that “Associateship of the Institute of the Actuaries of Australia (AIAA)” is not a qualification acceptable in lieu of the CGI qualification because Parts I & II, which are required under the Associateship programme, do not have any general insurance coverage.

<sup>5</sup> Card Protection Insurance refers to insurance cover in respect of lost or stolen credit cards and other financial and non-financial cards and ancillary services including loss reporting and emergency expenses cover.