

Guideline No: IA/II – G02

15 Aug 2003 (Last revised on 1 July 2005*)

GUIDELINES ON MARKET CONDUCT AND SERVICE STANDARDS FOR INSURANCE BROKERS

Persons to whom the Guidelines on Market Conduct and Service Standards for Insurance Brokers [“these Guidelines”] Apply

1 These Guidelines apply to all direct insurance brokers and exempt direct insurance brokers as well as their broking staff.

[IA/II – G02 (Amendment) 2005]

Purpose of these Guidelines

2 These Guidelines set out the market conduct and service standards expected of direct insurance brokers and exempt direct insurance brokers, and their broking staff when they deal with general insurance customers. They are meant to provide general guidance and are not intended to replace or override any legislative provisions or written directions issued under the Insurance Act [“the Act”] in respect of conduct requirements specifically applicable to insurance brokers.

[IA/II – G02 (Amendment) 2005]

3 While these Guidelines are not mandatory, the Authority expects all direct insurance brokers and exempt direct insurance brokers, and their broking staff to have regard to these Guidelines so as to help foster professional standards and enhance confidence in the insurance industry.

[IA/II – G02 (Amendment) 2005]

4 These Guidelines should be read in conjunction with the provisions of the Act as well as directions, notices, circulars and other guidelines that the Authority may issue from time to time.

Definitions

5 For the purposes of these Guidelines:

“broking staff”, in relation to a direct insurance broker or exempt direct insurance broker, means –

- (a) any employee of the direct insurance broker or the exempt direct insurance broker (as the case may be); or
- (b) any other person,

who is authorised by the direct insurance broker or the exempt direct insurance broker (as the case may be), to act on its behalf to provide technical advice to any client of the direct insurance broker or the exempt direct insurance broker (as the case may be) in respect of insurance policies relating to general business and long-term accident and health policies, other than insurance policies relating to reinsurance business;

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

“exempt direct insurance broker” has the same meaning as in regulation 2(1) of the Insurance (Intermediaries) Regulations 2003;

“general insurance customer” means –

- (i) an individual, whether alone or jointly with another individual, who enters or proposes to enter into a contract of insurance which is wholly or exclusively for the individual’s private or domestic use; or
- (ii) a sole-proprietor; and

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

[IA/II – G02 (Amendment) 2005]

MARKET CONDUCT AND SERVICE STANDARDS

6 The General Insurance Association of Singapore (GIAS) and the Singapore Insurance Brokers’ Association have jointly developed the Singapore General Insurance Code of Practice. The objective of the code is to ensure that the general insurance customer is treated fairly and receives a high standard of service.

7 The Code sets out the minimum standards regulating the sales, advisory and service standards of general insurers, insurance intermediaries (including insurance brokers and insurance agents) and anyone acting for the general insurers. The Authority expects all direct insurance brokers and exempt direct insurance brokers, and their broking staff to observe these minimum standards. The Singapore General Insurance Code of Practice is available on the GIAS website at <http://www.gia.org.sg>.

[IA/II - G02 (Amendment) 2005]

* Notes on History of Amendments

1. IA/II – G02 (Amendment) 2005 with effect from 1 July 2005