

MAS 502

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

NOTICE TO INSURANCE BROKERS INSURANCE ACT (CAP. 142)

This Notice replaces Circulars No. ID 4/02 dated 31 May 02, ID 1/02 dated 10 Apr 2002, FSG 71/2001 dated 22 Dec 01 and FSG 28/2001 dated 18 May 01.

MINIMUM STANDARDS AND CONTINUING PROFESSIONAL DEVELOPMENT FOR INSURANCE BROKERS AND THEIR BROKING STAFF

Introduction

1 This Notice is issued pursuant to section 64(2) of the Insurance Act (Cap. 142) [“the Act”] and comprises both mandatory requirements and best practice standards on continuing professional development. It applies to all insurance brokers and their broking staff.

2 This Notice sets out the following:

Part I - Mandatory Requirements:

- (a) Minimum standards and examination requirements for broking staff;
- (b) Submission requirements for appointment of broking staff; and

Part II – Non-mandatory Best Practice Standards:

- (c) Continuing professional development (CPD) for broking staff.

Definitions

3 For the purposes of this Notice:

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

- (a) any employee of the insurance broker; or
- (b) any other person,

who is authorised by the insurance broker, the registered insurance broker, 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 insurance broker, the registered insurance broker, the direct insurance broker or the exempt direct insurance broker (as the case may be) in respect of –

- (i) insurance policies relating to general business and long-term accident and health policies, other than insurance policies relating to reinsurance business; or
- (ii) reinsurance of liabilities under insurance policies relating to life or general 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 business” has the same meaning as in section 2 of the Act;

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

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

[MAS 502 (Amendment) 2005]

Part I – Mandatory Minimum Standards and Examination Requirements for Broking Staff

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

5 All insurance brokers shall ensure that broking staff employed or appointed by them are fit and proper persons to act in the capacity so appointed. In determining whether broking staff are fit and proper persons to act in the capacity so appointed, insurance brokers may have regard to the fit and proper criteria set out in the Guidelines on Fit and Proper Criteria issued by the Authority (Guideline No: MCG-G01).

[MAS 502 (Amendment) 2005]

6 Direct insurance brokers and exempt direct insurance brokers shall further ensure that broking staff employed or appointed by them possess the Certificate in General Insurance (CGI) qualification or any other equivalent qualifications listed in Appendix 1, before they are allowed to provide advice on or sell general insurance products.

[MAS 502(Amendment) 2005]

7 With effect from 1 Jun 2002¹, all new broking staff employed or appointed by a direct insurance broker and exempt direct insurance broker must pass the Basic Concepts and Principles of General Insurance module as well as the relevant modules on Personal General Insurance or Commercial General Insurance or both, or possess any other equivalent qualifications listed in Appendix 1, before they are allowed to provide advice on or sell personal general insurance products or commercial general insurance products or both, respectively.

[MAS 502(Amendment) 2005]

Submission requirements for appointment of broking staff

8 Registered insurance brokers shall submit to the Authority on a monthly basis, the personal particulars of new broking staff appointed, using the format

¹ A modular CGI examination was introduced in 2002 and comprises the following 3 modules:

- (1) Basic Concepts and Principles of General Insurance (BCP)
- (2) Personal General Insurance (PGI)
- (3) Commercial General Insurance (ComGI)

attached at Appendix 2. These, together with information on the names of broking staff who had resigned including their date of resignation, shall be submitted to the Authority by the first week of the following month.

Note:

Under section 55(2) of the Act, any person who is guilty of any breach of a 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 on Continuing Professional Development for Broking Staff

9 This part sets out best practice standards on continuing professional development for broking staff. While these standards are not mandatory, the Authority expects insurance brokers to be responsible for the continuing professional development of their broking staff. They should develop and implement training and competency plans for their broking staff. The Authority also expects broking staff to keep abreast of developments in the industry and acquire new skills and knowledge relevant to their activities by undergoing continuing professional development (CPD) training.

10 In this regard, direct insurance brokers and exempt direct insurance brokers, and their broking staff are expected to observe the Industry Guidelines on Training and Competency Requirement and Continuous Professional Development. A copy of the Guidelines is available on the GIAS website at <http://www.gia.org.sg>.

[MAS 502(Amendment) 2005]

* History of Amendments

1. MAS 502 (Amendment) 2005 with effect from 1 July 2005

Persons possessing the following professional qualifications are not required to pass the CGI / 3 CGI Modules

Students Who Have Completed	Offered By Academic Institutions
1. Diploma In Risk and Insurance Management	Nanyang Polytechnic, Singapore
2. Diploma in Banking and Insurance Management	Nanyang Polytechnic, Singapore
3. Diploma in Banking and Financial Management -.must have opted for the insurance focus electives	Nanyang Polytechnic, Singapore
4. Bachelor of Business (Insurance)	Nanyang Technological University
5. Bachelor of Business (Actuarial Science)	Nanyang Technological University
6. Bachelor of Business - must have chosen Actuarial Science and Insurance electives in his third year, viz BA219, BA326	Nanyang Technological University
7. BSc Investment, Finance and Risk	City University, UK
8. MSc Insurance and Risk Management	City University, UK
9. Diploma in Insurance	Glasgow Caledonian University, UK
10. BA Risk Management	Glasgow Caledonian University, UK
11. 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
12. Bachelor Of Science in Economics (Risk Management and Insurance)	Wharton School, University of Pennsylvania, US

Students Who Have Completed	Offered By Academic Institutions
13. Master of Business Administration (Insurance and Risk Management)	Wharton School, University of Pennsylvania, US
14. Master of Business Administration (Actuarial Science) - must have chosen INSR 825 – Property-Liability Insurance Company Management and Policy as an elective	Wharton School, University of Pennsylvania, US
15. PhD in Insurance and Risk Management	Wharton School, University of Pennsylvania, US
16. BBA (Risk Management and Insurance)	Georgia State University, US
17. MBA (Risk Management and Insurance)	Georgia State University, US
18. MSc (Risk Management and Insurance)	Georgia State University, US
19. PhD in Risk Management and Insurance	Georgia State University, US
20. MBA (Actuarial Science) - must have chosen AS 8520 Principles of Property and Casualty Ratemaking as one of the electives	Georgia State University, US
21. Master of Actuarial Science - must have chosen the “Electives Outside the Major” from the risk management and insurance courses	Georgia State University, US
22. Business Diploma (Insurance)	George Brown College of Applied Arts & Technology
23. Finance Major-Risk and Insurance Concentration	University of Wisconsin
24. Bachelor of Business in 1991 [Note: only exempted from Basic Insurance Concepts and Principles module].	Nanyang Technological Institute

Students Who Have Completed	Offered By Professional Institutions
1. Certificate in General Insurance (CGI)	Singapore College of Insurance
2. Diploma in General Insurance (DGI)	Singapore College of Insurance
3. ASII	Singapore Insurance Institute
4. Certificate of Proficiency	Chartered Insurance Institute
5. Certificate of Insurance Practice	Chartered Insurance Institute
6. ACII	Chartered Insurance Institute
7. FCII	Chartered Insurance Institute
8. Affiliate of All (General)	Australian Insurance Institute
9. Diploma of All (General)	Australian Insurance Institute
10. AAIL	Australian Insurance Institute
11. FAIL	Australian Insurance Institute
12. Certificate III in General Insurance	Australian Insurance Institute
13. Statement of Attainment in Insurance Practice	Australian Insurance Institute
14. Certificate IV in General Insurance	Australian Insurance Institute
15. Statement of Attainment in Advanced Insurance Practice	Australian Insurance Institute
16. Diploma in Business (General Insurance)	Australian Insurance Institute
17. Certificate IV in Financial Services (General Insurance)	Australian And New Zealand Institute Of Insurance And Finance
18. Diploma of Financial Services (General Insurance)	Australian And New Zealand Institute Of Insurance And Finance
19. Certificate of Insurance Practice	Malaysian Insurance Institute
20. Diploma in Insurance (General)	Malaysian Insurance Institute

Students Who Have Completed	Offered By Professional Institutions
21. AMII	Malaysian Insurance Institute
22. FMII	Malaysian Insurance Institute
23. Licentiate Exam (Non-life)	Insurance Institute of India
24. Associateship Examination	Insurance Institute of India
25. Fellowship Examination	Insurance Institute of India
26. Chartered Property and Casualty Underwriter (CPCU)	The American Institute
27. General Insurance Essentials (GIE)	Insurance Institute of Canada
28. Associateship of Insurance Institute of Canada	Insurance Institute of Canada
29. Chartered Insurance Professional (CIP)	Insurance Institute of Canada
30. Fellowship Program (FCIP)	Insurance Institute of Canada
31. Diploma in Insurance	HK Institute of Vocational Education
32. Higher Diploma in Insurance	HK Institute of Vocational Education
33. 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
34. Fellowship of the Institute of Actuaries (FIA)/ Fellowship of the Faculty of Actuaries (FFA) - must have chosen subject(s) 303 General Insurance &/or 403 UK Fellowship: General Insurance as an elective	Institute of Actuaries/ Faculty of Actuaries, UK
35. Associateship of the Society of Actuaries (ASA)	Society of Actuaries, US
36. Fellowship of the Society of Actuaries (FSA)	Society of Actuaries, US

Students Who Have Completed	Offered By Professional Institutions
37. Fellowship of the Institute of the Actuaries of Australia (FIAA) - must have chosen Subject 3 – General Insurance as one of the electives for Part III of the programme	Institute of the Actuaries of Australia
38. Certificate in Basic Course	Non-Life Insurance Institute of Japan
39. 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

CONFIDENTIAL**PARTICULARS OF BROKING STAFF**

Name of Company		Date Appointed
Name of Broking Staff (as in NRIC/Passport)		Sex: M/F*
Residential Address		
Business Address		
Citizenship & NRIC /Passport No		Date & Place Of Birth
Annual Remuneration & Fringe Benefits		% Shareholding in the Company
Designation & Description of Duties/ Responsibilities		

1 Qualifications, Experience and Achievements

(a) Academic Qualifications:

<u>Name of Institute</u>	<u>Country</u>	<u>Qualification</u>	<u>Year of Graduation</u>
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* delete where inapplicable

(b) Professional Qualifications: (Please tick in the appropriate box)

- | | |
|---|---|
| <input type="checkbox"/> Certificate / Diploma in General Insurance (CGI / DGI)* | <input type="checkbox"/> Senior Associate / Fellow of the Australia & NZ Institute of Insurance and Finance (SAANZIIF/FANZIIF)* (Life / General)* |
| <input type="checkbox"/> Certificate / Diploma in Life Insurance (CLI / DLI)* | <input type="checkbox"/> Associate/Fellow of the UK Chartered Insurance Institute (ACII / FCII)* (Life / General)* |
| <input type="checkbox"/> Certificate in Life Insurance (Investment-Linked Policies) (CLI-ILP) | <input type="checkbox"/> Certificate in Insurance Practice (CIP) |
| <input type="checkbox"/> Others (State whether admitted by examination or experience) | |

<u>Name of Professional Institute</u>	<u>Qualification</u>	<u>Class of Membership</u>	<u>Year Obtained</u>
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(c) Working Experience: (Please enclose a separate attachment if necessary)

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Designation & Description of Duties</u>	<u>Period</u>
			<u>From</u> <u>To</u>

(d) Achievements and special positions held presently or previously (please state date of achievement and period of special positions held)

2 Shareholdings and Directorships/Positions Held in Other Companies

(a) Do you have equity interest of 5% or more in any other firms or companies? If so, please provide the following details:

<u>Name of company & principal activity</u>	<u>Country of incorporation</u>	<u>Percentage held in the company</u>
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(b) Are you also a director, partner, proprietor or employee in any other firms or companies? If so, please provide the following details:

<u>Name of company & principal activity</u>	<u>Country of incorporation</u>	<u>Position held in the company</u>
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3 Fit and Proper Criteria

If the answer to any of the following questions is in the affirmative, please attach annexures and supporting documents, where appropriate, to provide all relevant particulars.

(a) Have you within the past 10 years -

	Yes	No
(a) been licensed, registered or approved under a law in any jurisdiction which requires licensing, registration or approval in relation to the carrying out of insurance broking activities?	<input type="checkbox"/>	<input type="checkbox"/>
(b) been licensed, registered, or otherwise authorised by law to carry on any trade, business (including sole proprietorships and partnerships) or profession (including accountancy, engineering, law and architecture) in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(c) been refused the right or restricted in your right to carry on any trade, business or profession for which a specific licence, registration or other authorisation is required by law in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(d) been issued with a prohibition order under any Act administered by the Authority or has been prohibited from operating in other jurisdiction by any insurance regulatory authority?	<input type="checkbox"/>	<input type="checkbox"/>
(e) been censured, disciplined, suspended or refused membership or registration by the Authority, any other regulatory authority, professional body or government agency, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(f) been the subject of any investigations or disciplinary proceedings or been issued a warning or reprimand by the Authority, any other regulatory authority, professional body or government agency, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(g) demonstrated an unwillingness to comply with any regulatory requirement or to uphold professional and ethical standards, whether in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>
(h) been untruthful or provided false or misleading information to the Authority or been uncooperative in any dealings with the Authority or any regulatory authority in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(i) been the subject of any proceedings of a disciplinary or criminal nature or has been notified of any potential proceedings or of any investigation which may lead to those proceedings, under any law in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(j) been convicted of any offence or been subject to any proceedings currently pending which may lead to such a conviction, in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>

- (k) had any judgment (including a finding of fraud, misrepresentation, or dishonesty) given against you in any civil proceedings or is a party to any pending proceedings which may lead to such a judgment, under any law in any jurisdiction?
- (l) had any civil penalty enforcement action taken against you by the Authority or any other regulatory authority under any law in any jurisdiction?
- (m) contravened or abetted another person in breach of any laws or regulations, business rules or code of conduct, whether in Singapore or elsewhere?
- (n) been the subject of any complaint made reasonably and in good faith, relating to activities that are regulated by the Authority or under any law in any jurisdiction?
- (o) been refused a fidelity or surety bond, whether in Singapore or elsewhere?
- (p) been a director, partner or concerned in the management of a business that has been censured, disciplined, suspended or refused membership or registration by the Authority, any other regulatory authority, professional body or government agency, whether in Singapore or elsewhere?
- (q) been declared an undischarged bankrupt, entered into a compromise or scheme of arrangement with your creditors or made an assignment for the benefit of your creditors, in Singapore or elsewhere?
- (r) been a director, partner or concerned in the management of a business that has gone into insolvency, liquidation or administration during the period when, or within a period of one year after, you were a director, partner or concerned in the management of the business, whether in Singapore or elsewhere?
- (s) been dismissed or asked to resign from office, employment, a position of trust, or a fiduciary appointment or similar positions, whether in Singapore or elsewhere?
- (t) been subject to disciplinary proceeding by your current or former employer(s), whether in Singapore or elsewhere?
- (v) been disqualified from acting as a director or disqualified from acting in any managerial capacity, whether in Singapore or elsewhere?
- (u) been an officer found liable for an offence committed by a body corporate as a result of the offence having proved to have been committed with the consent or connivance of, or neglect attributable to, the officer, whether in Singapore or elsewhere?

(b) Are you -

- | | Yes | No |
|--|--------------------------|--------------------------|
| (a) unable to fulfill any of your financial obligations, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) a party to a compromise or scheme of arrangement entered into between you and your creditors, being a compromise or scheme of arrangement that is still in operation, in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) subject to any judgment debt which remains unsatisfied, either in whole or in part, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) the subject of a bankruptcy petition or an undischarged bankrupt, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |

DECLARATION

I declare that all information given in this form and in the attached annex(es) (if any) is true and correct.

Date _____

Signature _____

[MAS 502(Amendment) 2005]