

Notice No : MAS 211  
Issue Date : 22 June 2007

\* Last revised on 30 January 2012

## **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, marine mutual insurers and financial guarantee insurers.

*[MAS 211 (Amendment) 2008]*

2. This Notice sets out the following:

#### Part I – Mandatory Requirements

- (a) Registration requirements for direct general insurers in relation to insurance agents (both corporations and individuals);

*[MAS 211 (Amendment No. 2) 2008]*

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

- (i) their staff;
- (ii) insurance agents who are individuals; and
- (iii) staff of insurance agents

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

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

### **Definitions**

3. For the purposes of this Notice:

“Agents’ Registration Board” means the board set up by the General Insurance Association of Singapore (“GIAS”) to register any general insurance agent;

*[MAS 211 (Amendment No. 2) 2008]*

“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>;

(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;

“corporate insurance agent ” means an insurance agent which is a corporation or company, and includes sole proprietorships and partnerships;

*[MAS 211 (Amendment No. 2) 2008]*

“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, marine mutual insurer and financial guarantee insurer;

*[MAS 211 (Amendment ) 2008]*

“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;

“marine mutual insurer” has the same meaning as in regulation 2 of the Insurance (General Provisions and Exemptions for Marine Mutual Insurers) Regulations 2007.

*[MAS 211 (Amendment) 2008]*

“Trade Specific Agent” means an insurance agent (and, for the avoidance of doubt, in the case of a corporate insurance agent, includes the staff of that corporate insurance agent) for a direct general insurer, and who is –

- (a) not carrying on insurance business in Singapore as his core business; and
- (b) registered with the Agent’s Registration Board.”

*[MAS 211 (Amendment) 2012]*

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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).

3A. The expressions used in this Notice shall, except where defined in this Notice or where the context otherwise requires, have the same meanings as in the Insurance Act.

*[MAS 211 (Amendment No. 2) 2008]*

### **Part I – Mandatory Requirements**

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

4A. A direct general insurer shall only enter into a contract of insurance arranged by:

- (a) an insurance agent who is an individual; or
- (b) any staff of a corporate insurance agent selling or providing sales advice on the direct general insurer's products,

if such agent or staff, as the case may be, is registered with the Agents' Registration Board, and

- (i) has obtained the CGI qualification;
- (ii) was not required to obtain the CGI qualification when it was first introduced in 1990; or
- (iii) has acceptable qualifications in lieu of the CGI qualification.

The list of acceptable qualifications is set out at Annex 1.

4B. For the purposes of paragraph 4A, an insurance agent which is:

- (i) a bank licensed under the Banking Act (Cap. 19);
- (ii) a finance company licensed under the Finance Companies Act (Cap. 108);
- (iii) a merchant bank approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186);
- (iv) an insurer registered under the Insurance Act (Cap. 142) and is approved by the Authority to underwrite life insurance business in Singapore; and
- (v) an insurance broker registered under section 35X of the Insurance Act (Cap. 142)

need not register with the Agents' Registration Board.

4C. A direct general insurer shall ensure that any staff of any agent set out in paragraph 4B above who sells or provides sales advice on the direct general insurer's products shall be adequately trained.

*[MAS 211 (Amendment No. 2) 2008]*

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.

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**

6. This Part sets out the non-mandatory best practice standards in training and competency which are developed by the 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. As such, 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”).

*[MAS 211 (Amendment No. 2) 2008]*

### **Commencement and cancellation**

7. 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<br>- must have chosen at least one Actuarial Science and one Insurance elective in the third year  | Nanyang Technological University, Singapore               |
| La Crosse: Finance Major – Risk and Insurance concentration   | University of Wisconsin, US                               |
| Bachelor of Science in Economics (Actuarial Science)<br>- 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  | Wharton School, University of                             |

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| Risk Management)   | Pennsylvania, US                               |
| Master of Business Administration (Actuarial Science)<br>- 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 |

[MAS 211 (Amendment No. 2) 2008]

| <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  | Australian Insurance Institute                                |
| Statement of Attainment in Insurance Practice <sup>2</sup>  | 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                                |
| Diploma in Insurance  | Chartered Insurance Institute, UK                             |
| Certificate in Insurance  | 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)/<br>Associateship of the Faculty of Actuaries (AFA)<br>- must have chosen subject 303 General Insurance as an elective  | Institute of Actuaries/Faculty of Actuaries, UK               |
| Fellowship of the Institute of Actuaries (FIA)/<br>Fellowship of the Faculty of Actuaries (FFA)<br>- 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 Australia (FIAA)<br>- must have chosen Subject 3 – General Insurance  | 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).

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| 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 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 |

*[MAS 211 (Amendment No. 2) 2008]*  
*[MAS 211(Amendment) 2009]*

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<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 qualifications because Parts I & II, which are required under the Associateship programme, do not have any general insurance coverage

| <b>Qualifications applicable to trade specific agents only</b>   | <b>Offered by Professional Institutions</b> |
|--|---|
| Certificate of Proficiency in Travel Insurance (For a Trade Specific Agent, selling travel insurance only)                                   | Singapore College of Insurance              |
| Certificate of Proficiency in Foreign Domestic Worker Insurance (For a Trade Specific Agent, selling foreign domestic worker insurance only) | Singapore College of Insurance              |
| Certificate of Proficiency in Card Protection Insurance <sup>5</sup> (For a Trade Specific Agent, selling card protection insurance only)    | Singapore College of Insurance              |
| Certificate of Proficiency in Electrical Protection Insurance<br>( For a Trade Specific Agent, selling electrical protection insurance only) | Singapore College of Insurance              |

*[MAS 211 (Amendment) 2012]*

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<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.

\* Notes on History of Amendments

1. MAS Notice 211 (Amendment) 2008 with effect from 4 January 2008.
2. MAS Notice 211 (Amendment No. 2) 2008 with effect from 12 December 2008.
3. MAS Notice 211 (Amendment) 2009 with effect from 4 September 2009.
4. MAS Notice 211 (Amendment) 2012 with effect from 30 January 2012.

An insurance agent or any staff of a corporate agent who:

- (a) possessed the Certificate in Insurance Practice or Certificate of Proficiency; and
- (b) was registered with the Agents' Registration Board prior to 4 September 2009 will continue to be exempted from the requirement to obtain the CGI qualification.