

Notice No. : MAS 211
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MINIMUM AND BEST PRACTICE TRAINING AND COMPETENCY STANDARDS FOR DIRECT GENERAL INSURERS

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 other than marine mutual insurers and financial guarantee insurers.
2. This Notice sets out the following:

Part I – Mandatory Requirements

- (a) Requirements for a direct general insurer in relation to its insurance agents;
- (b) Minimum examination requirements for a direct general insurer in relation to the training and competency of:
 - (i) its staff who sell or provide sales advice in respect of any insurance product, or provide advice relating to claims made or to be made under an insurance policy;
 - (ii) staff of a service provider engaged by the direct general insurer who handle claims for the direct general insurer, where such staff provide advice relating to claims made or to be made under an insurance policy;
(hereinafter collectively known as “**Relevant Persons**” and each a “**Relevant Person**”); and
 - (iii) its insurance agents.

Part II – Non-mandatory Best Practice Standards

- (c) Best practice standards to be observed in respect of a Relevant Person or an insurance agent.

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 acting for one or more licensed

insurer carrying on general business;

“business day” means any calendar day, other than a Saturday, Sunday or public holiday;

[MAS Notice 211 (Amendment) 2020, wef 16 Apr 2020]

“CGI qualification” means:

(a) in relation to -

- (i) a Relevant Person or insurance agent who sells, provides sales advice on personal general insurance; or
- (ii) a Relevant Person who provides advice relating to claims made or to be made in respect of personal general insurance, qualification in the Basic Insurance Concepts and Principles (BCP) and the Personal General Insurance (PGI) modules of the Certification in General Insurance (“CGI”)¹;

(b) in relation to -

- (i) a Relevant Person or insurance agent who sells, provides sales advice on commercial general insurance; or
- (ii) a Relevant Person who provides advice relating to claims made or to be made in respect of commercial general insurance, qualification in the Basic Insurance Concepts and Principles (BCP) and the Commercial General Insurance (ComGI) modules of the CGI.

“citizen of Singapore” has the same meaning as in Article 2(1) of the Constitution of the Republic of Singapore;

“direct general insurer” means an insurer licensed under section 8 of the Act to carry on direct general insurance business but excludes any marine mutual insurer and financial guarantee insurer;

“employment pass” has the same meaning as in regulation 2 of the Employment of Foreign Manpower (Work Passes) Regulations 2012;

¹ The CGI is conducted by the Singapore College of Insurance and consists of 3 modules as follows:

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

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

“permanent resident” has the same meaning as in section 2 of the Enlistment Act (cap. 93);

“relevant date” means –

- (a) in the case of a Relevant Person mentioned in paragraph 9C(a), the earliest of the dates mentioned in paragraphs 9C(c)(i), (c)(ii) or (c)(iii); or
- (b) in the case of a Relevant Person mentioned in paragraph 9C(b), the date mentioned in paragraph 9C(d);

[MAS Notice 211 (Amendment) 2020, wef 16 Apr 2020]

“Trade Specific Agent” means an insurance agent for a direct general insurer, who does not carry on the business as an insurance agent in Singapore as his core business;

“work pass” has the same meaning as in section 2 of the Employment of Foreign Manpower Act (cap 91A.);

“work permit” has the same meaning as in regulation 2 of the Employment of Foreign Manpower (Work Passes) Regulations 2012.

- 4. 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 Act.

Part I – Mandatory Requirements

- 5. 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.
- 6. Subject to paragraphs 7, 8 and 9A, a direct general insurer shall only enter into a contract of insurance arranged by an insurance agent, if -
 - (a) such agent is registered with the Agents’ Registration Board; and
 - (b) he satisfies all of the following requirements:
 - (i) he is at least 18 years of age;
 - (ii) he is a citizen of Singapore or a permanent resident or a foreigner holding a valid work permit or employment pass issued by the Ministry of Manpower;
 - (iii) he has obtained minimum academic qualifications equivalent to or higher than 3 GCE “O” Level credit passes or at least attained the Basic Competency Examination Certificate awarded by the Singapore College of Insurance if the individual has no GCE “O” level credit passes; and

- (iv) he is an individual who meets any of the following:
 - (A) has obtained the CGI qualification;
 - (B) was not required to obtain the CGI qualification when it was first introduced in 1990;
 - (C) has acceptable qualifications in lieu of the CGI qualification set out at Annex 1; or
 - (D) where he is a Trade Specific Agent, has acceptable qualification in lieu of the CGI qualification set out at Annex 2.

[MAS Notice 211 (Amendment) 2020, wef 16 Apr 2020]

A copy of Annex 1 and Annex 2, as may be amended from time to time are set out at the Authority's Internet website at <http://www.mas.gov.sg> (under "Regulations and Financial Stability", "Regulations, Guidance and Licensing", "Insurance", "Notices", "Insurance Companies", "MAS 211 Minimum and Best Practice Training and Competency Standards for Direct General Insurers").

7. For the purposes of paragraph 6, an insurance agent who:
- (a) is in possession of the Certificate in Insurance Practice or Certificate of Proficiency; and
 - (b) was registered with the Agents' Registration Board at any time before 4 September 2009,

will not be required to obtain the CGI qualification.

[MAS Notice 211 (Amendment) 2020, wef 16 Apr 2020]

8. For the purposes of paragraph 6, an insurance agent which is:
- (a) a bank licensed under the Banking Act (Cap. 19);
 - (b) a finance company licensed under the Finance Companies Act (Cap. 108);
 - (c) merchant bank approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186); and
 - (d) an insurer licensed under the Insurance Act (Cap. 142) and is approved by the Authority to underwrite life business in Singapore;

need not register with the Agents' Registration Board.

9. Subject to paragraph 9C, a direct general insurer shall ensure that each of its Relevant Persons possesses the CGI qualification before he or she is allowed to provide sales advice on or sell

general insurance products or provide advice relating to claims made or to be made under an insurance policy unless:

- (a) such a Relevant Person is aged 45 years and above as at 1 June 2002 and has attended all tutorials for the relevant CGI modules on or before 31 December 2002; or
- (b) such a Relevant Person has acceptable qualifications in lieu of the CGI qualification. The list of qualifications is at Annex 1.

[MAS Notice 211 (Amendment) 2020, wef 16 Apr 2020]

Relief Measures During the COVID-19 Pandemic

- 9A. Despite paragraph 6, where an individual is employed as, or appointed to act as, an insurance agent for a direct general insurer, between 16 April 2020 and 30 September 2020 (both dates inclusive), for a period of six months from the date of employment or appointment of that insurance agent (or such longer period as may be allowed by the Authority in writing), the direct general insurer may enter into a contract of insurance arranged by that insurance agent notwithstanding the insurance agent does not satisfy any one of the requirements in paragraph 6(b)(iv)(A) to 6(b)(iv)(D) of this Notice.
- 9B. A direct general insurer must, for the duration where it relies on paragraph 9A –
- (a) put in place measures² to properly supervise the activities and conduct of the relevant insurance agent, including measures to ensure that all obligations assumed and liabilities incurred by the insurance agent are properly fulfilled, whether actual or contingent and howsoever arising, in relation to the arrangement of contracts of insurance by that insurance agent; and
 - (b) put in place measures, including proper training, to ensure that the relevant insurance agent understands and complies with all Singapore laws that are relevant to the arrangement of contracts of insurance by that insurance agent.
- 9C. Despite paragraph 9—
- (a) where a Relevant Person is—
 - (i) employed; or
 - (ii) otherwise appointed,

² The direct general insurer may refer to the Frequently Asked Questions (FAQs) on Relief Measures Relating to COVID-19 Situation - General Insurance and Health Insurance Examinations and Continuing Professional Development Requirements.

to provide sales advice on or sell general insurance products or provide advice relating to claims made or to be made under an insurance policy, by the direct general insurer, between 16 April 2020 and 30 September 2020 (both dates inclusive); or

- (b) where a Relevant Person is—
 - (i) employed; or
 - (ii) otherwise appointed,to provide advice relating to claims made or to be made under an insurance policy, by a service provider, between 16 April 2020 and 30 September 2020 (both dates inclusive), and where the service provider is engaged by the direct general insurer to handle claims for the direct general insurer,

the direct general insurer is exempt from paragraph 9 of this Notice in respect of that Relevant Person for a period of six months (or such longer period as may be allowed by the Authority in writing) from –

- (c) in the case of a Relevant Person mentioned in sub-paragraph (a), the earliest of the following dates –
 - (i) the date the Relevant Person is employed or otherwise appointed by the direct general insurer to provide sales advice on general insurance products;
 - (ii) the date the Relevant Person is employed or otherwise appointed by the direct general insurer to sell general insurance products;
 - (iii) the date the Relevant Person is employed or otherwise appointed by the direct general insurer to provide advice relating to claims made or to be made under an insurance policy; or
- (d) in the case of a Relevant Person mentioned in sub-paragraph (b), the date the Relevant Person is employed or otherwise appointed by the service provider to provide advice relating to claims made or to be made under an insurance policy .

9D. A direct general insurer must, for the duration where it relies on the exemption under paragraph 9C in respect of a Relevant Person –

- (a) put in place measures³ to properly supervise the activities and conduct of the Relevant Person, including measures to ensure that all obligations assumed and liabilities incurred by the Relevant Person are properly fulfilled, whether actual or contingent and howsoever arising, in relation to the provision of sales advice on or sale of general insurance products or provision of advice relating to claims made or to be made under

³ The direct general insurer may refer to the Frequently Asked Questions (FAQs) on Relief Measures Relating to COVID-19 Situation - General Insurance and Health Insurance Examinations and Continuing Professional Development Requirements.

an insurance policy; and

- (b) put in place measures, including proper training, to ensure that the Relevant Person understands and complies with all Singapore laws that are relevant to the provision of sales advice on or sale of general insurance products or provision of advice relating to claims made or to be made under an insurance policy.

[MAS Notice 211 (Amendment) 2020, wef 16 Apr 2020]

9E. Where a direct general insurer relies on the exemption under paragraph 9C in respect of a Relevant Person, the direct general insurer must submit to the Authority all of the following information, within three business days from the relevant date –

- (a) the Relevant Person’s name;
- (b) the relevant date;
- (c) all the relevant activities being conducted by the Relevant Person.

9F. For the purpose of paragraph 9E, “relevant activity” means any of the following activities–

- (a) provision of sales advice on general insurance products;
- (b) sale of general insurance products;
- (c) provision of advice relating to claims made or to be made under an insurance policy.

[MAS Notice 211 (Amendment) 2020, wef 16 Apr 2020]

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

- 10. A direct general insurer should ensure that each of its Relevant Persons or insurance agents is adequately trained.
- 11. The Authority expects all direct general insurers to observe the non-mandatory best practice standards in training and competency which has been 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 foster professional standards and enhance confidence in the insurance industry. As such, a direct general insurer should prepare and implement training and competency plans and maintain training and competency records for each of its Relevant Persons or insurance agents. A direct general insurer should ensure that each of its Relevant Persons or insurance agents complies with the minimum number of hours stipulated for continuous professional development.

Commencement and cancellation

12. This Notice shall take effect from 20 July 2015. MAS Notice 211 dated 22 June 2007 will be cancelled from 20 July 2015.

Notes on History of Amendments

MAS Notice 211 (Amendment) 2020 dated 16 April 2020 with effect from 20 April 2020.