

LIST OF RECOMMENDATIONS FROM SUPPLEMENTARY REPORT

Recommendations	Status
<p data-bbox="248 478 662 516"><u>Agency Distribution Channel</u></p> <ul style="list-style-type: none"> <li data-bbox="248 556 1206 632">▪ Prescribe a basic standard for roles and responsibilities of advisors and supervisors by 1 Apr 2001. <li data-bbox="248 667 1206 743">▪ Recommend a best practice standard for span of control for the agency model by 1 Apr 2001. <li data-bbox="248 779 1206 854">▪ Remove existing limits on agency unit size and on annual recruitment of agents by 1 Apr 2001. <li data-bbox="248 890 1206 966">▪ Remove existing limits on commissions to agents by 1 Jan 2002. <li data-bbox="248 1001 1206 1077">▪ Allow referral arrangements to be made by life insurers with “centres of influence” by 1 Jan 2002 	<p data-bbox="1226 556 1377 594">Accepted</p> <p data-bbox="1226 667 1377 705">Accepted</p> <p data-bbox="1226 779 1377 816">Accepted</p> <p data-bbox="1226 890 1377 928">Accepted</p> <p data-bbox="1226 1001 1377 1039">To study</p>
<p data-bbox="248 1155 1141 1192"><u>Bancassurance Channel (including other financial institutions)</u></p> <ul style="list-style-type: none"> <li data-bbox="248 1232 1206 1308">▪ Improve communications between LIA and the bancassurers, and set up a forum for bancassurers. <li data-bbox="248 1344 1206 1457">▪ Exempt ancillary and simple products (e.g. creditor life and creditor disability) from the life insurance sales advisory process and disclosure requirements. <li data-bbox="248 1493 1206 1606">▪ Define status of financial institutions (i.e. tied agent or independent broker) on the basis of their commercial relationship with the life insurers concerned. <li data-bbox="248 1642 1206 1717">▪ Financial institutions to be directly responsible for their life insurance sales process. <li data-bbox="248 1753 1206 1866">▪ Financial institutions should develop professional sales managers within their organisations to support and develop quality sales staff. 	<p data-bbox="1226 1232 1377 1270">Accepted</p> <p data-bbox="1226 1344 1377 1381">Accepted</p> <p data-bbox="1226 1493 1377 1530">To study</p> <p data-bbox="1226 1642 1377 1680">Accepted</p> <p data-bbox="1226 1753 1377 1791">Accepted</p>

Recommendations	Status
<p data-bbox="250 331 1143 369"><u>Bancassurance Channel (including other financial institutions)</u></p> <ul style="list-style-type: none"> <li data-bbox="250 449 1208 558">▪ The Training and Competency requirements as recommended by CEDLI for tied agents and brokers should apply in principle to sales staff and sales managers in financial institutions. <li data-bbox="250 600 1208 785">▪ Sales staff of financial institutions who are organised, managed and compensated akin to life insurance agency model should be treated in a manner consistent with agents, and LIA guidelines and CEDLI recommendations should apply as appropriate. <li data-bbox="250 827 964 865">▪ Allow finance companies to sell life insurance. 	<p data-bbox="1227 449 1370 487">Accepted</p> <p data-bbox="1227 600 1370 638">Accepted</p> <p data-bbox="1227 827 1354 865">To study</p>
<p data-bbox="250 936 594 974"><u>Life Brokerage Channel</u></p> <ul style="list-style-type: none"> <li data-bbox="250 1016 1208 1083">▪ Provide a structural and regulatory framework for viable models of brokerages to develop. <li data-bbox="250 1125 1208 1192">▪ Look for available development programmes and funding for life brokerages. <li data-bbox="250 1234 1208 1302">▪ Allow life brokerages to develop referral agreements with “centres of influence”. <li data-bbox="250 1344 1208 1411">▪ Allow sufficient flexibility in terms of staff recruitment and total staff size, to facilitate the growth of the channel. 	<p data-bbox="1227 1016 1354 1054">To study</p> <p data-bbox="1227 1125 1370 1163">Accepted</p> <p data-bbox="1227 1234 1354 1272">To study</p> <p data-bbox="1227 1344 1370 1381">Accepted</p>

Recommendations	Status
<p data-bbox="250 333 620 369"><u>Direct Marketing Channel</u></p> <ul data-bbox="250 411 1203 520" style="list-style-type: none"> <li data-bbox="250 411 1203 520">▪ As direct marketing falls under the "No advice" sale category, the CEDLI recommendations in relation to sales advisory process by intermediaries should not apply for this channel. 	Accepted
<p data-bbox="250 636 659 672"><u>E-commerce / Internet sales</u></p> <ul data-bbox="250 711 1203 821" style="list-style-type: none"> <li data-bbox="250 711 1203 821">▪ Internet companies, which provide some form of electronic advice or recommendation need to be regulated by MAS as an intermediary. 	To study