



To: Ordinary and associate members

**MU 47/11 (AMENDED 9 JAN 12) - LIA MINIMUM STANDARD FOR CONTINUING
PROFESSIONAL DEVELOPMENT OF LIFE INSURANCE REPRESENTATIVES
(W.E.F. 1 APRIL 2012)**

ACTION

- 1. THIS UNDERTAKING REPLACES MU 47/11 OF 20 OCT 11 AND ALL PRECEDING MU'S**
- 2. FOR ORDINARY MEMBERS' COMPLIANCE AS APPROPRIATE**
- 3. FOR ASSOCIATE MEMBERS' INFORMATION**

Changes made in 2011 are highlighted in blue:

CPD for existing representatives / supervisors / industry-experienced individuals

- Increased CPD hours for representatives selling unit trusts in addition to life insurance and/or investment-linked insurance, but excluding general insurance
- Specified reduced CPD hours where advice is limited only to Mortgage Reducing Term Assurance (MRTA)
- Specified reduced CPD hours where advice is limited only to Group Term Life Insurance (GTL) - **Amended 9 Jan 12**

The LIA List of CPD Courses and LIA CPD Application Form are separately posted and updated on the LIA website at www.lia.org.sg

The LIA T&C guidelines is set out in MU 31/11 of 20 Oct 11.

The CPD and T&C documents should be read with reference to each other.

LIA SECRETARIAT

**LIA Minimum Standard for Continuing Professional Development of
Life Insurance Representatives**

Preamble

From 1 January 2001, life insurance representatives and supervisors are required to meet the minimum standard in training hours for entry level and for continuing professional development.

A dynamic and fast-changing industry requires that the knowledge and skills of both new and in-service representatives be constantly upgraded through their company's continuing professional development programme.

These guidelines are available on the LIA website.

Objectives and desired outcomes of CPD

1. The aim is for all life insurance representatives to attain minimum industry standards of competence and professionalism.
2. Training activities conducted under the CPD programme must be substantively related to life insurance knowledge and / or skills, **including investment-linked insurance.**
3. The representatives will be able to provide professional advice and service in the best interests of the insuring public.

Section I

Minimum training requirements

Accreditation of training activities provided in-house with CPD hours

• **Minimum training requirements and hours**

1. The company should identify its training needs according to own requirements and specify the training hours required to fulfil these needs.

However, the specified training hours must not be less than the minimum, set out below:

a. For new representatives

Minimum 30 initial training hours to be completed within the first 6 months of appointment, and minimum 10 CPD hours to be completed within the following 6 months.

The following are counted towards the minimum 30 hours within the first 6 months:

- Compulsory CMFAS Module 5 examination hours only (counted once only upon passing)
- Compulsory CMFAS Module 9 examination hours only (counted once only upon passing)
- Compulsory Agency Development Programme, ADP (number of hours decided by the company)

Broadly, ADP covers the following topics:

- company's philosophy
- ethics course
- company's products
- company's underwriting, policy servicing and claims processes
- company's sales practices
- anti-money laundering processes

- Training on and application of knowledge and skills in meetings and dealings with clients (number of hours decided by the company)

b. For new supervisors

Minimum 30 CPD hours per annum.

Before a new supervisor is allowed to supervise and coach life insurance representatives, he/she must first undergo the following training:

- Compulsory "Professional Agency Management Programme", PAMP

Clarification: PAMP is only an acronym for a compulsory training requirement; it does not refer to any particular training course.

Broadly, this compulsory training requirement should cover the following needs:

- equips the newly-promoted supervisor to plan, budget, monitor and develop the agency's resources; and
- helps the newly-promoted supervisor to be competent in his/her roles and responsibilities.

It is for the insurer to identify what training courses would meet the above needs. The insurer decides what courses are acceptable to the company to fulfill this training requirement. Any course is acceptable as long as insurers can demonstrate to the regulator that the supervisors are competent in their roles and responsibilities.

For instance, if the company is primarily focused on life insurance business, the Diploma in Life Insurance (DLI) is relevant in building competency of a prospective supervisor. Companies providing varied financial advisory services may find other financial planning / financial services courses more relevant for their supervisors. There are internationally recognised courses available in Singapore.

- Training on and application of knowledge and skills in meetings and dealings with life insurance representatives and clients (number of hours decided by the company)

Others:

- Discretionary Pre-Management Orientation (PMO) programme (number of hours decided by the company)

c. For existing representatives / supervisors / industry-experienced individuals

Minimum 30 CPD hours per annum, to include:

- Maintenance and updating of knowledge and skills appropriate to their activities and responsibilities **pertaining to life insurance and/or investment-linked insurance**
- Development of new knowledge and skills to assist their current or future roles
- **Representatives selling unit trusts in addition to life insurance and/or investment-linked insurance, but excluding general insurance, are required to meet a minimum of 33 CPD hours in total.**
- **Where advice is limited only to Mortgage Reducing Term Assurance (MRTA) in connection with a mortgage on a property, and the representative in such cases is restricted to advising only on MRTA, the CPD requirement of 30 hours does not apply. The representative need only fulfill no less than 8 CPD hours comprising 4 hours of Skills and 4 hours of Knowledge. Should such representative at any time be not restricted to only MRTA sales in terms of life insurance products, 30 CPD hours will be applied.**
- **Where advice is limited only to Group Term Life Insurance (GTL) in connection with intermediary services rendered by insurance brokers who are also Exempt Financial Advisers, the CPD requirement of 30 hours does not apply. The representative need only fulfill no less than 8 CPD hours comprising 4 hours of Skills and 4 hours of Knowledge. Should such representative at any time be not restricted to only GTL sales in terms of life insurance products, 30 CPD hours will be applied.**

This is subject to the definition of GTL Insurance being limited to the following criteria:

1. **Must be a Group Policy;**
2. **Must be a Term Policy;**
3. **Must not have a Portability Feature for individuals within the Group Policy;**
4. **Must not have a Cash Value;**
5. **Must not be an Investment-Linked Policy or Participating Policy as defined in the Insurance Act; and**
6. **Falls under the definition of "designated investment product" in FAA s.25(6) - "designated investment product" means a unit in a collective investment scheme, a life policy (including a group life policy), or such other investment product as the Authority may prescribe; [Amended 9 Jan 12]**

• **Areas of knowledge and skills to be trained in**

1. The plan should specify the knowledge and skills for each of the 5 groups of persons stated above.
2. **Skills** must relate to the practice of insurance sales or sales management and may include, among other things, prospecting, fact-finding interview, personal financial analysis and planning, problem solving, interpersonal communication, counselling, negotiation, etc.

Knowledge may include, among other things, insurance law, personal taxation, estate duty act, the regulatory requirements relating to representatives' or supervisors' professional obligations (including, confidentiality, disclosure of material

information, persistency, etc); the company and industry guidelines (including the delivery of proposal forms and record-keeping obligations)

- **Accreditation of training activities and CPD hours in the T&C Plan**

1. The T&C Plan should incorporate a complete list of training activities, whether in-house or externally provided.

The list should specify for each activity, the:

- Basic description
 - Objectives
 - Training hours accredited and the percentage apportionment between knowledge and skills content.
2. For externally provided activities that are accredited by the LIA, companies are required to credit the training hours as prescribed in the "LIA List of CPD Courses", posted on its website.
 3. The company is required to keep a proper record of the CPD hours earned by each representative or supervisor after verifying their attendance at the CPD-accredited activity.

Accreditation procedure for in-house activities

4. Definition of "in-house" training activities

The course, workshop, seminar or conference may be conducted by the life insurer's / FA firm's / financial institution's staff or trainer, or by an external vendor, solely for the company's representatives.

Where it is conducted by an external vendor, the course, workshop, seminar or conference must be customised for that company in terms of contents, duration of hours, etc.

Where an external vendor conducts training that is open to the public and it is not accredited CPD hours by LIA, no principal may accord "in-house CPD hours" to its representatives who attend such training.

5. Life insurer / FA firm / Financial institution is to incorporate the course, workshop, seminar or conference into its Company T&C Plan.
6. Life insurer / FA firm / Financial institution is to determine and state in the T&C Plan the number of CPD hours for the course, workshop, seminar or conference.

Section II
Application procedure for accreditation of training activities provided externally with CPD hours

1. Training activity

The course, workshop, seminar, conference or, academic or professional qualification, is conducted / issued by an external vendor, is available to the public, and is generic in contents.

2. Assessment of training activity

- Relevancy of subject matter to the provision of life insurance advisory services
- Quality of trainers / speakers, where applicable

3. Dates for assessment of applications

The assessment dates for the year are stated in the LIA CPD Application Form, which is posted on the LIA website at www.lia.org.sg

Application for CPD accreditation must be sought at least 60 days prior to the occurrence of the activity where applicable and two weeks before an assessment date.

No special consideration will be granted for assessment to be conducted in between two dates.

4. Eligibility of vendor (for academic or professional qualification)

Academic degrees may be accredited CPD hours only if they are relevant, i.e. related to Financial Planning / Financial Services.

For training activities that include course assignments, such assignments may be eligible for CPD hours.

First-time application to LIA must be accompanied by:

- Information on profile (corporate or institutional history) and track record of firm or institution that issues the qualification, and
- Where applicable, similar information on Singapore-based training associate.

5. Eligibility of vendor (for course, workshop or seminar)

For training activities that include course assignments, such assignments may be eligible for CPD hours.

First-time application to LIA must be accompanied by:

- Information on profile (corporate or institutional history) and track record of firm or institution, and
- Evidence of past delivery of the training being applied for, made to a Singapore-licensed life insurer (and not to an intermediary entity) within the last 12 months in Singapore, and
- A letter of recommendation from the life insurer with regards to that training activity.

6. Eligibility of vendor (for conference)

First-time application to LIA must be accompanied by:

- Information on profile (corporate or institutional history) and track record of firm or institution, and
- Where applicable, similar information on Singapore-based training associate.

Foreign location of a conference event is acceptable.

Vendor may be a foreign-incorporated entity.

7. Procedures

- For all training activities (course, workshop, seminar or conference)
 - Submit to LIA a completed LIA CPD Application Form for the training to be accredited and included in the LIA List of CPD Courses.
 - Upon receiving approval from LIA, conduct the course, workshop, seminar or conference.
- For Course or Workshop

Provide a Certificate of Attendance, within one month of occurrence of activity, to each representative who had achieved at least 75% attendance.

The certificate should provide the following information:

- name, time, date and location of course or workshop;
- number of CPD hours accredited (optional for "Course"); and
- apportionment of credit as percentage of knowledge and/or of skills.

However, CPD hours will be accorded by the principal to a representative, so long as some form of evidence of attendance is furnished.

- For Seminar or Conference

Provide a List of Attendance, within one month of occurrence of activity, to the respective principals of representatives who had achieved at least 75% attendance.

The list should provide the following information:

- the name, time, date and location of seminar or conference;
- number of CPD hours accredited; and
- apportionment of credit as percentage of knowledge and/or of skills

However, CPD hours will be accorded by the principal to a representative, so long as some form of evidence of attendance is furnished.

The vendor must also keep an official attendance list that is signed off by participants for at least 2 years after the completion date.

LIA CPD Assessment Committee

- a. Receives LIA CPD Application Forms.
- b. Assesses applications for approvals to be given (or otherwise).
- c. Updates the LIA List of CPD Courses.

8. Marketing of CPD accreditation

Following receipt of notification from LIA of successful application (but not before), the vendor may publicise that the particular course, workshop, seminar or conference has CPD accreditation from LIA.

9. LIA CPD Application Form

A copy may be downloaded from the LIA website at www.lia.org.sg

10. LIA List of CPD Courses

A copy may be downloaded from the LIA website at www.lia.org.sg

11. LIA CPD Assessment Committee

The Committee comprises members nominated by the Life Insurance Association.

The Committee ensures that the criteria set for application review are impartial and relevant.

It reports annually on its activities to the LIA Committee.

The files, records and proceedings of the Committee, related to assessment of training activities for accreditation of CPD hours are confidential and shall not be disclosed to any outside parties.

All decisions made are final and no appeals will be accepted.

Section III

Earning CPD hours

1. Ways of earning CPD hours

1.1 To meet the minimum requirement of 30 hours of CPD every year, representatives or supervisors may earn these hours in one or more of the following ways:

- a. attendance at CPD-accredited activities (either in-house or external)
- b. attendance at examinations of CPD-accredited courses
- c. attendance at classroom tutorials of CPD-accredited examination courses
- d. self-study in lieu of attendance at classroom tutorials of CPD-accredited examination courses
- e. participation in CPD-accredited courses via non-face to face modes (including e-learning, distance learning), provided only that there is proof of successful completion, i.e.
 - i) if it leads to the passing of an examination - upon passing, the number of CPD hours to be accredited shall be as that earned by attendance at classroom tutorials; or
 - ii) if it is a non-examinable programme - upon verification (system audit) by the training vendor if the programme is an external one, or by the training director if the programme is an in-house one, of the hours clocked, the number of CPD hours to be accredited shall be as that verified
- f. speaking, teaching or moderating at a CPD-accredited activity (either in-house company-wide or *external) but excludes training programmes conducted for fellow representatives or supervisors of his/her own agency unit

* "External" refers to activities for which CPD hours have been accredited by LIA, whether conducted in Singapore or overseas.

1.2 For purposes of these guidelines, "tutorial" refers to any form of training that prepares a person to sit an examination, and therefore includes lecture, tutorial, remedial, intensive study session, and the like.

1.3 Conduct of coaching sessions, meetings or sales activities with representatives / other supervisors, as described under Section I of the LIA T&C guidelines (MU 31/02 of 10 Jan 02), does not constitute CPD and thus does not earn CPD hours. Likewise, representatives / supervisors who receive such coaching, etc, do not earn CPD hours.

2. General principles on earning CPD hours

2.1 Fifty per cent (50%) of the minimum 30-hour entry training or CPD, i.e. 15 hours, must be spent on “knowledge” and 15 hours, on “skills”.

2.2 At least 20% of the 30 hours, i.e. 6 hours must be attained by attendance at the company’s in-house CPD activity.

2.3 A representative or supervisor who accumulates more than the 30 hours of CPD credit required for the year is not allowed to carry the credit over to the following year.

2.4 A representative or supervisor who falls short of the minimum 30 hours for the year is subject to the provision(s) in his/her company’s T&C Plan on the consequences of failing to meet this requirement.

2.5 “Per annum” (or CPD year) - so long as the company is consistent, up to each principal to decide on the basis to be adopted; may be joining anniversary date or calendar year, or adjustments through pro-rating/apportionment.

2.6 Migration of representative from Company A to Company B - allow 100% of the CPD hours undergone with Company A to be carried over to Company B. Additionally, the representative needs to be trained on Company B’s products and procedures.

2.7 For externally provided activities that are accredited by the LIA, principals are required to credit the training hours as prescribed in the LIA List of CPD Courses.

3. Earning CPD hours from externally provided activities accredited by LIA

3.1 CPD hours will be credited for attendance at tutorials (including repeats of tutorials attended) that lead to an examination. Any tutorial(s) attended after the examination has been passed does/do not earn CPD hours.

3.2 Separate hours for examinations will credited, if applicable, once only upon passing. For consecutive failures in examinations, tutorial hours attended will still be credited (i.e. all the repeats of tutorials attended).

3.3 For a representative who had never attended tutorials (i.e. self-studied) and passes the examination, full tutorial hours (once only) and examination hours (once only) will be credited only upon passing of the examination.

3.3.1 A representative who attended tutorials and failed that examination, and attempts one or more subsequent examination sittings without repeating tutorials (i.e. self-studies) and passes, may not be credited with further tutorial hours.

Illustration:

Classroom tutorial : 10 hours
Examination : 1.5 hours

Representative A

1st attempt Self-studies + Exam (fails) = 0 + 0 = 0 CPD hours

2nd attempt Self-studies + Exam (passes) = 10 + 1.5 = 11.5 CPD hours

Representative B

1st attempt Tutorial + Exam (fails) = 10 + 0 = 10 CPD hours

2nd attempt Self-studies + Exam (passes) = 0 + 1.5 = 1.5 CPD hours

3.4 No pro-rated hours will be given before completion and passing of a module that straddles two CPD years ("CPD year" as practised by the individual insurer).

Illustration:

Module commences	1 Nov 01	5 hrs	CPD hrs = 0
Module continues	Dec 01	5 hrs	CPD hrs = 0
			CPD hrs = 0 for Insurer's CPD Year 01

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Module concludes	31 Jan 02	5 hrs	CPD hrs = 15 hrs for Insurer's CPD Year 02
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Accreditation of each module is made in the year the pass result is released.

3.5 For a speaking, teaching or moderating activity for which CPD hours have been accredited by LIA for attendees, whether conducted in Singapore or overseas, LIA awards one CPD hour for each hour of speaking, teaching or moderating.

No additional CPD hours may be earned for preparation time and no CPD hours shall be credited for repeat teaching/speaking/moderating assignments in the same year in question.

However, counting once only per annum, year by year is allowed if representative / supervisor conducts the same activity year after year.

The vendor of the CPD-accredited activity is responsible for issuing certification to the speaker/trainer, stating:

- name of representative or supervisor
- name, date and location of course, workshop, seminar or conference he conducted
- number of actual hours delivered
- percentage of knowledge and/or of skills (to be the same as the apportionment accredited by LIA for attendees)