



Media release

Expect higher standards of culture and conduct from Financial Adviser Representatives (FA Reps) and Financial Adviser Firms (FAFs) as industry pushes ahead to build greater trust in the profession

Third set of guidelines by the Insurance Culture and Conduct Steering Committee (ICCSC) to elevate quality of financial advisory services as demand for protection, investments and savings grows

Singapore, 21 April 2022 — The Insurance Culture and Conduct Steering Committee (ICCSC) recently released its third paper '**Intermediary Culture and Conduct Best Practices – Promoting Ethical Culture and Conduct in Insurance Intermediaries (Life)**'¹ as part of the Committee's continued efforts to elevate the culture and conduct standards of the life insurance ecosystem in Singapore by focusing efforts on people, performance, and processes. The first two papers focusing on Human Resources and Corporate Governance were released in March 2022.²

This third paper for Life Intermediaries aims to enhance the quality of financial advisory service sector through the practices of FA Reps and FAFs by providing:

- Guidance on the **role of supervisors in setting the right tone from the top** to ensure accountability from leadership that priorities are not only placed on achieving sales and revenue growth. Recommendations are aimed at strengthening industry practices in the three key areas of Supervisors' Quality Indicators, Quality Management Framework, and Promotion Criteria for Supervisors.
- Best practices on **establishing key performance measures that effectively encourage FA Reps to provide customers with high quality financial advisory services**. Guidelines focus on calibrating and standardising industry practices in the areas of FA Reps' Quality Indicators, Rewards and Recognition on Culture and Conduct, as well as Post-Sales Services to Customers.
- Collaboration on **enhanced disclosures to customers and information sharing between insurers and non-tied Financial Advisory Firms (FAFs)** to align and protect customers' interests through regular engagements and dialogues with recommendations centred on Proper Disclosure to Customers on Products and Incentives, as well as the Sharing of Sales Quality Data to improve Culture and Conduct.

¹ Refer to appendix for infographics with key takeaways for the Papers. All three Papers are available for download at: <https://www.lia.org.sg/industry-guidelines/industry-practices/>

² 'Expect higher standards of culture and conduct from Singapore's insurance industry' (Mar 22, 2022). Insurance Culture and Conduct Steering Committee. Available at: https://www.lia.org.sg/media/3340/20220322_press-release_expect-higher-stds-of-culture-and-conduct-from-insurance-industry.pdf

“This is an extension of the first two papers with a specific focus on intermediaries within the life insurance eco-system – from FA Reps to FAFs. Our aim is to enhance professionalism within the industry more consistently and elevate the standard of care for customers in the advisory process,” said **Dr Khoo Kah Siang, Chairperson of the Insurance Culture and Conduct Steering Committee (ICCSC)**.

These best practices build on foundations of the Life Insurance Association Guidelines and complement current rules in the Financial Advisers Act, Insurance Act, and their subsidiary legislations.

The committee, consisting of senior leaders in the industry, was established in December 2019 to foster sound culture and strengthen standards of conduct among insurers in Singapore.³ They are supported by the General Insurance Association of Singapore (GIA), the Life Insurance Association (LIA) and the Singapore Reinsurers’ Association (SRA).

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³ Joint media release: New Industry Steering Committee to Elevate Culture and Conduct Standards for Insurance Industry (Dec 12, 2019). Information available at: https://www.sqpc.gov.sg/sqpcmedia/media_releases/mas/press_release/P-20191212-1/attachment/Joint%20Media%20Release%20-%20New%20Industry%20Steering%20Committee%20to%20Elevate%20Culture%20and%20Conduct%20Standards%20for%20Insurance%20Industry.pdf

Appendix: Infographic on Intermediary Culture and Conduct Best Practices – Promoting Ethical Culture and Conduct in Insurance Intermediaries (Life)

INTERMEDIARY CULTURE AND CONDUCT BEST PRACTICES

Promoting Ethical Culture and Conduct in Insurance Intermediaries (Life)

With the continued growth in demand for protection, investment and savings policies, it remains the focus of the life insurance industry to ensure that Financial Adviser Representatives (FA Reps) continue to act in the best interest of their customers, and customers continue to maintain high trust in the financial advisory profession.

These best practices build on the foundations of the Life Insurance Association (LIA) Guidelines and complement the current rules in the Financial Advisers Act, Insurance Act, and their subsidiary legislations, to further enhance the quality of the financial advisory service sector through the practices of Financial Adviser Firms (FAFs).



TONE FROM THE TOP

Supervisors play a pivotal role in the shaping of C&C in their organisations and must set the correct tone from the top and ensure their organisations' vision and values are filtered down to all FA Reps they supervise. The recommendations serve to strengthen industry practices in the following areas:

01

Supervisors' Quality Indicators

02

Quality Management Framework

03

Promotion Criteria for Supervisors

FAIR DEALING AND GOOD PRACTICES OF FA REPS

FA Reps, who deal directly with customers, should be measured and recognised for fair dealing and good conduct as their behaviours have a direct impact on the quality of advice provided to customers. The recommendations aim to calibrate and standardise industry practices in the following areas:

01

FA Reps' Quality Indicators

02

Rewards and Recognition on Culture and Conduct

03

Post-Sales Services to Customers



VALUE ALIGNMENT BETWEEN INSURERS AND NON-TIED FAFs

Insurers and non-tied FAFs should work together to align and safeguard the customers' interests. This can be achieved through regular engagement and dialogue, with recommendations in the following areas:

01

Proper Disclosures to Customers (Products and Incentives)

02

Sharing of Sales Quality Data to Improve Culture and Conduct

For media queries, please contact:

Swee Kiang Lee (Mr.)
Executive Director
Life Insurance Association, Singapore
Email: lee.sweekiang@lia.org.sg

Q Akashah (Ms.)
Ogilvy Singapore
Tel: +65 9825 1944
Email: akashah.q@ogilvy.com

Louise Lam (Ms.)
Ogilvy Singapore
Tel: +65 9739 9863
Email: louise.lam@ogilvy.com