

**GUIDANCE NOTE ON COMPLIANCE WITH THE REQUIREMENTS OF  
THE CONTINUING PROFESSIONAL DEVELOPMENT (CPD) PROGRAMME  
FOR THE TRANSITIONAL PERIOD**

**Background**

*The Code of Practice for the Administration of Insurance Agents (the Code)* specifies that the Insurance Agents Registration Board (IARB) may issue Guidance Notes from time to time as to how it intends to exercise its powers and fulfill its responsibilities under the *Code*. This *Guidance Note* aims to assist insurance agents to comply with the CPD requirements for the Transitional Period. For the purpose of this *Guidance Note*, any reference to insurance agent shall include responsible officer and technical representative.

Part E of the *Code* under "Minimum Qualifications for Persons Acting as Insurance Agents" stipulates:

- (i) The minimum qualifications an individual must fulfill before he may be considered by the IARB to be fit and proper to act as an insurance agent.
- (ii) That an insurance agent shall comply with the CPD requirements in such manner and form as specified by the Insurance Authority (IA).

**CPD Requirements**

The IA has specified that insurance agents are required to earn 5 core and 10 non-core credits every year since the launch of the CPD Programme on 1 January 2002. The IA has stipulated in the CPD Information Sheet that the following would apply only to the Transitional Period:

- (i) Deficiency of credits gained in a year should be made up during the Transitional Period;
- (ii) Excess credits accumulated in a particular year can be carried forward to another year; and
- (iii) Insurance intermediaries joining the insurance intermediary profession on or before 2002, 2003 or 2004 will have their accumulated credits assessed during 2005.

The IARB shall deem an insurance agent having complied with the CPD requirements under the "Minimum Qualifications for Persons Acting as Insurance Agents" as qualified for maintaining his registration status for another 12 months if he completes all CPD requirements under the transitional arrangement (please see the section "CPD Assessment" below for the detailed CPD requirements).

**CPD Assessment**

- (a) For easy administration, calendar month shall be used as the basis for calculating CPD requirements irrespective of the day of the month on which registration of an insurance agent takes place (i.e. regardless of whether an insurance agent is registered on, say, 1 January or 31 January, January shall be used for calculation of his CPD credits.)
- (b) The first assessment date of all insurance agents shall be 31 July 2005.
- (c) *Insurance agents registered before 1 January 2002*
  - (i) An insurance agent has to earn 15 core and 30 non-core credits only by 31 July 2005.

- (ii) If the registration of an insurance agent has been cancelled for **one calendar month or more** during the Transitional Period and he applies for re-registration thereafter, he shall be required to report his CPD credits on a pro rata basis, but in any event would not exceed 15 core and 30 non-core credits.
- (d) *Insurance agents newly registered on or after 1 January 2002 up to 31 July 2005*  
The number of CPD credits required to be reported by the newly registered insurance agents on the first assessment date are shown in the attached Table I.
- (e) If the registration of an insurance agent has been cancelled for **one calendar month or more** during the Transitional Period and the insurance agent applies for re-registration thereafter, he shall be required to report his CPD credits on a pro rata basis as follows:
  - (i) on 31 July 2005 (if the re-registration date is on/before 31 July 2005); or
  - (ii) at the time of re-registration (if the re-registration date is after 31 July 2005).
- (f) If the registration of an insurance agent has been cancelled for a period more than 24 consecutive calendar months, he shall **not** be required to earn any CPD credits for re-registration. Instead, as stipulated in the *Code*, he shall, unless exempted by the professional qualifications specified under clauses 55 and 56 of the *Code* as appropriate, successfully pass the relevant paper(s) of the Insurance Intermediaries Qualifying Examination (IIQE) recognized by the IA again before he may be considered by the IARB to be fit and proper to act as an insurance agent.

#### **Assessment for Professionally Qualified Insurance Agents**

- (g) For insurance agents who are qualified pursuant to "List of specified qualifications" of the CPD Information Sheet published by the IA, which specifies that, inter alia, they are considered to have satisfied the non-core credits requirements if they have satisfied the CPD requirements specified by the institutes granting their qualifications. Nonetheless, they are still required to comply with the core credits requirements to earn 5 core credits every year. (Please refer to (a) to (f) above for assessment details.)

#### **Reporting requirements**

- (h) Insurance agents must complete a Declaration Form to be promulgated by the IARB and to be filed as follows:
  - (i) By Individual agents to **all** of their appointing insurers;
  - (ii) By Responsible Officers to **all** of their appointing insurers; and
  - (iii) By Technical Representatives to their appointing insurance agent.
- (i) Insurance agents must retain their proof of compliance of CPD requirements (including Declaration Forms and evidence/record of attendance) for at least a period of 3 years after the assessment date. Such records should be produced as and when required by the IARB.
- (j) The IARB will conduct random checks on those insurance agents who have declared fulfillment of CPD requirements.

#### **Consequence of Non-Compliance**

- (k) In the circumstances that an insurance agent fails to meet the CPD requirements, his confirmation of registration shall be revoked by the IARB. Under such circumstances, the IARB shall not consider his application for re-registration for 3 months as a starting point

from the date his confirmation of registration is revoked. Such insurance agent shall be required to complete all outstanding CPD credits at the time of re-registration.

- (l) In the circumstances that an insurance agent makes a false declaration in reporting his CPD credits, his confirmation of registration shall be revoked for 12 months as a starting point by the IARB. Such insurance agent shall be required to complete all outstanding CPD credits at the time of re-registration.

**TRANSITIONAL ARRANGEMENT****Table I**

**CPD credits to be reported on the first assessment date (i.e. 31 July 2005) for insurance agents newly registered between 1 January 2002 and 31 July 2004:**

<u>First registration date falling On any date between</u>	<u>Registration Month</u>	<u>Total No. of Months for reporting</u>	<u>Core Credits</u>	<u>Non-Core Credits</u>
1/1/2002 – 31/1/2002	January 2002	43	15	30
1/2/2002 – 28/2/2002	February 2002	42	15	30
1/3/2002 – 31/3/2002	March 2002	41	15	30
1/4/2002 – 30/4/2002	April 2002	40	15	30
1/5/2002 – 31/5/2002	May 2002	39	15	30
1/6/2002 – 30/6/2002	June 2002	38	15	30
1/7/2002 – 31/7/2002	July 2002	37	15	30
1/8/2002 – 31/8/2002	August 2002	36	15	30
1/9/2002 – 30/9/2002	September 2002	35	14	29
1/10/2002 – 31/10/2002	October 2002	34	14	28
1/11/2002 – 30/11/2002	November 2002	33	13	27
1/12/2002 – 31/12/2002	December 2002	32	13	26
1/1/2003 – 31/1/2003	January 2003	31	12	25
1/2/2003 – 28/2/2003	February 2003	30	12	24
1/3/2003 – 31/3/2003	March 2003	29	12	24
1/4/2003 – 30/4/2003	April 2003	28	11	23
1/5/2003 – 31/5/2003	May 2003	27	11	22
1/6/2003 – 30/6/2003	June 2003	26	10	21
1/7/2003 – 31/7/2003	July 2003	25	10	20
1/8/2003 – 31/8/2003	August 2003	24	10	20
1/9/2003 – 30/9/2003	September 2003	23	9	19
1/10/2003 – 31/10/2003	October 2003	22	9	18
1/11/2003 – 30/11/2003	November 2003	21	8	17
1/12/2003 – 31/12/2003	December 2003	20	8	16
1/1/2004 – 31/1/2004	January 2004	19	7	15
1/2/2004 – 29/2/2004	February 2004	18	7	15
1/3/2004 – 31/3/2004	March 2004	17	7	14
1/4/2004 – 30/4/2004	April 2004	16	6	13
1/5/2004 – 31/5/2004	May 2004	15	6	12
1/6/2004 – 30/6/2004	June 2004	14	5	11
1/7/2004 – 31/7/2004	July 2004	13	5	10
1/8/2004 – 31/7/2005*		N/A		

\*The insurance agents shall be assessed on a pro-rata basis in accordance with paragraph (d) of Guidance Note 7.