



*The*  
Insurance  
Institute

# How to ensure your staff's compliance.

A guide for employers and supervisors



*Your Future. Insured.*

# CONTENTS

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<b>1. What is compliance?</b>	<b>2</b>
1.1 An overview of employer's MCC Requirements	2
<b>2. Continuing professional Development (cpd)</b>	<b>3</b>
2.1 Accrediting cpd	3
<b>3. Monitoring employee cpd compliance</b>	<b>4</b>
3.1 Our process	4
3.2 Employee monitoring	4
3.3 Employer compliance tool	5
3.4 What happens if an employee Fails to complete their CPD?	5
<b>4. Employers' responsibilities Regarding new entrants</b>	<b>6</b>
<b>5. Supervision</b>	<b>7</b>
5.1 Who is eligible to supervise New Entrants?	7
5.2 What's involved in supervision?	7
<b>6. Contact us</b>	<b>10</b>

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# 1. WHAT IS COMPLIANCE?

The Central Bank of Ireland wants to protect customers by making sure that anyone giving advice on financial services and products is competent to do so. The Minimum Competency Code 2011 (MCC) sets out various standards and requirements that those at work in the insurance industry, and other financial services – must meet in order to be deemed 'compliant'.

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## 1.1 AN OVERVIEW OF EMPLOYER'S MCC REQUIREMENTS

The MCC requirements for employers (or regulated firms) are quite extensive, for detailed information please consult Part 2 of the MCC at [www.centralbank.ie/mcc](http://www.centralbank.ie/mcc)

An overview of the main MCC requirements for employers is as follows:

**Compliance:** Regulated firms are required to adopt certain practices in order to ensure their compliance with the MCC.

**Register of Accredited Persons:** A regulated firm must maintain a register of all accredited persons, acting as, for or on behalf of the regulated firm.

**Confirmation of Competency:** Employers must be able to provide customers with a certificate of competency for any employee on request.

**New Entrants:** Regulated firms must have procedures in place to ensure that new entrants are adequately supervised (see page 7 for more information).

**Grandfathering:** Firms must hold a Statement of Grandfathered Status on file for each of their grandfathered employees – whether they originally grandfathered them or not.

**CPD:** A regulated firm must have procedures in place to ensure that Qualified Persons and Grandfathered Persons are in compliance with CPD requirements on an ongoing basis (see page 4 for more information).

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## 2. CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

Continuing Professional Development (CPD) is any kind of structured learning undertaken by professionals that serves to enhance their skills and competencies. The MCC requires that qualifications and experience must be maintained and built upon through CPD in order to ensure currency of expertise among practitioners.

The Insurance Institute provides an extensive range of highly relevant CPD both online as e-learning sessions and through face to face lectures around the country. These resources are available to members as part of their member benefit package. Learn more at [iii.ie/cpd](http://iii.ie/cpd)

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### 2.1 ACCREDITING CPD

The Central Bank recognises The Insurance Institute as a professional education body delivering recognised qualifications in insurance. Therefore all CPD undertaken in service of maintaining an Insurance Institute designation or MCC compliance, must be accredited by The Insurance Institute.

In practice this means that we accredit events and activities for CPD hours in respect of the following designations and MCC product categories:

- APA (Personal, Commercial or Private Medical Insurance, Life and Pensions)
- CIP
- Dip L.A, CDip LA
- Dip PMI
- DLA, DLDU, DLDC
- QFA designations
- Debt Management
- Category 1 Life Assurance
- Category 2 Pensions
- Category 2 Savings and Investments
- Category 4 Personal General Insurances
- Category 5 Commercial General Insurances
- Category 6 Private Medical & Associated Insurances
- Category 7 Housing Loans, Home Reversion Agreements & Associated Insurances
- Category 8 Consumer Credit & Associated Insurances

CPD material submitted to The Insurance Institute for accreditation should specifically relate to the Minimum Competencies for Retail Financial Products (as detailed in the MCC) and/or the syllabus content of the relevant qualification. It must also be directly relevant to advice for consumers in the Irish market.

Find out more at [iii.ie/accreditation](http://iii.ie/accreditation)

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## 3. MONITORING EMPLOYEE CPD COMPLIANCE

We monitor the CPD compliance of our active members who hold Insurance Institute designations, those who are Grandfathered and others who have signed up to our CPD programme.

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### 3.1 OUR PROCESS

Our process for monitoring CPD consists of:

- An ongoing review of members' online CPD portfolios for hours and relevance.
- An end-of-year review to check that 15 hours (including 1 ethics) have been completed and submitted.
- A more detailed audit of randomly selected portfolios for supporting evidence. This takes place in the first quarter of each calendar year.

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### 3.2 EMPLOYEE MONITORING

Regulated firms are required to adopt certain practices in order to ensure their compliance with the MCC. A key requirement is regular monitoring which must be completed at least once within the first nine months and again within six weeks of the end of each year.

Recommended monitoring can include the following:

- Track CPD progress against the plans agreed with the employee at the start of the year.
- Check the number of hours completed (including ethics).
- Assess the relevance of the CPD completed to the categories of product for which the person is accredited.

- Check the suitability of the CPD planned for the remainder of the year i.e. against the knowledge points set out in the MCC
- Retain adequate records regarding monitoring compliance, breaches, pro rata adjustments (e.g reduction due to maternity leave or long term illness) and other relevant information. These will then be available should they be requested during Central Bank onsite inspections.

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### 3.3 EMPLOYER COMPLIANCE TOOL

Employers can access CPD compliance information and their staff members' CPD portfolios via the Employer Compliance Tool. Username and password details are sent to all employers at time of registration. If you don't have these to hand, please email [memberservices@iii.ie](mailto:memberservices@iii.ie) for new login details.

#### MCC Support Report

The report employers access most is the 'MCC Report'. This allows employers to look at the CPD portfolio of each individual employee registered with The Insurance Institute. Employers can use this tool to track employees' progress by checking the relevance of CPD and number of hours completed.

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### 3.4 WHAT HAPPENS IF AN EMPLOYEE FAILS TO COMPLETE THEIR CPD?

The MCC also requires that regulated firms take action in respect of suspected breaches in regulations governing compliance.

Action taken by the employer includes:

- Recording all breaches of CPD requirements by qualified or grandfathered persons on their individual files.
- A grandfather's status may be suspended should they fail to meet their CPD requirement twice within a five year period.
- Anyone who loses their designation or grandfathered status should also be removed from the firm's Register of Accredited Persons.

Please consult the MCC for more detailed information ([www.centralbank.ie/mcc](http://www.centralbank.ie/mcc))

#### Action taken by The Insurance Institute

If any member fails to complete 15 formal hours in any calendar year they can make up the shortfall by the end of the following year. This is categorised as a 'first fail'.

If they then fail to complete 15 hours formal CPD for a second

time in any 5 year period – a ‘second fail’ – they will be removed from our Register of Compliant Persons and we will inform the employer of this. Employers are then legally bound to remove the individual from the employer’s Register of Accredited Persons as a result and cannot work in an accredited role.

It’s important to note that any breach of CPD requirements must be held on a regulated firm’s records. Further breaches may result in the removal of a professional designation.

Members who fail to meet their CPD requirement at year end and/or fail an audit, are subject to the procedures as outlined in the CPD Rules, available to download in the Member Area of [www.iii.ie](http://www.iii.ie)

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## **4. EMPLOYERS’ RESPONSIBILITIES REGARDING NEW ENTRANTS**

Those commencing an accredited role or specified function for the first time are classified as New Entrants and must meet their requirements as specified in the MCC.

An overview of key employer responsibilities regarding New Entrants is provided below, however, please note that employer’s responsibilities in this regard are quite extensive, for detailed information please consult pages 18–20 of the MCC at [www.centralbank.ie/mcc](http://www.centralbank.ie/mcc)

### **Initial Training**

Employers must organise an initial training programme for New Entrants that is relevant to their function. Alternatively, the New Entrant must have already completed part of a recognised qualification relevant to their function prior to commencing their role.

### **Supervision**

Until New Entrants obtain a recognised relevant qualification, they must be directed and supervised by someone qualified or grandfathered in their function. In addition, all documentation prepared by the New Entrant must be checked and signed off by the nominated person.

Work towards a recognised qualification

All New Entrants must work towards a recognised qualification and their employer must ensure that they:

- Register for the first available sitting of the relevant examination and re-sit it at each subsequent sitting if unsuccessful.
- Complete the qualification in a timely and consistent manner.
- Maintain records of all examinations completed, results obtained and remaining scheduled examinations.

Timeframe

New Entrants must complete the training programme and obtain a relevant recognised qualification within 4 years of commencing their work in a specified function.

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## 5. SUPERVISION

An overview of the supervision process is provided below, however, please note that the MCC requirements for this process are quite detailed, therefore you should consult the MCC at [www.centralbank.ie/mcc](http://www.centralbank.ie/mcc) for all of the relevant information.

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### 5.1 WHO IS ELIGIBLE TO SUPERVISE NEW ENTRANTS?

To act as a Supervisor an individual must be a Qualified or Grandfathered Person as defined in the MCC.

Anyone who is not qualified or grandfathered cannot accept the role. Supervisors may not supervise any more than seven New Entrants at anytime.

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### 5.2 WHAT'S INVOLVED IN SUPERVISION?

#### 5.2.1 Make a study plan

In order to assist New Entrants in meeting their requirements, supervisors should agree a study plan with them. Over the course of their studies progress can be monitored against this plan.

#### 5.2.2 Keep written records

Supervisors are required to keep written records from the beginning of a New Entrants' training.



These records should include:

- the date the New Entrant commenced the function
- details of any training completed by the New Entrant prior to dealing with customers
- details of any qualifications the New Entrant is working towards
- Supervisor's name
- the date supervision commenced
- the level of supervision provided
- any other relevant information

If any New Entrant under your supervision is not keeping to their study plan you must document the reasons why.

#### **5.2.3 Active supervision**

New Entrants must be actively and adequately supervised.

Key elements include:

- Specify an initial period during which a New Entrant must be accompanied at all times whilst carrying out their function. The level of this supervision can be reviewed and may be reduced incrementally over time.
- All documentation relating to advice given, offerings made and arrangements put in place must be checked and signed off by the supervisor. This element of supervision must continue until a New Entrant has qualified.
- In order to support the development of New Entrants under supervision, meetings must take place regularly to review progress and discuss any challenges encountered.
- The level of supervision, the frequency of meetings and the extent of day-to-day contact between a New Entrant and their supervisor must be based on a company assessment of their performance.

#### **5.2.4 Assessment process**

In order to deliver an appropriate level of supervision, New Entrants' performance must be assessed regularly.

Such assessments must document the following elements of the New Entrant's work:

- the nature and complexity of their function
- the quality of advice and services they provide to consumers

- their knowledge of and compliance with regulatory and legislative requirements relevant to their role
- any complaints made against them
- their ethics and behaviour
- any other relevant information

#### **5.2.5** Maintaining records

The MCC requires that written records be maintained regarding the supervision of every New Entrant.

These records include, but are not limited to:

- the length of the initial period of direct supervision
- each incremental reduction in the level of supervision
- the criteria for reducing the level of supervision
- the extent of each reduction
- the results of assessments
- notes from your meetings

Maintaining comprehensive documentation is key in order to demonstrate compliance.

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## 6. CONTACT US

As your membership organisation, we are always happy to receive your questions or feedback.

Membership, qualification, CPD and Employer Compliance Tool queries

Please contact our Member Services team on 01 645 6670 or [memberservices@iii.ie](mailto:memberservices@iii.ie)

Client Support Manager

If you have any HR and training queries, please don't hesitate to contact our Client Support Manager

Naomi Gaffney on [NGaffney@iii.ie](mailto:NGaffney@iii.ie) or 01 645 6629

Corporate Account Manager

If you would like to discuss bespoke programmes or training for your staff, contact our Corporate Account Manager Claire Minchin on [CMinchin@iii.ie](mailto:CMinchin@iii.ie) or 01 645 6615

CPD Accreditation

If you have any queries about the accreditation of CPD please contact Accreditation Manager Maria McGeever on [cpdaccreditations@iii.ie](mailto:cpdaccreditations@iii.ie) or 01 645 6670