



The
Insurance
Institute

How to ensure your staff's compliance.

A guide for employers and supervisors



Your Future, Insured.

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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 2017 (MCC) sets out various standards and requirements that those who work in the insurance industry, and other financial services who advise customers, must meet in order to be deemed 'compliant'.

1.1 AN OVERVIEW OF EMPLOYER'S REQUIREMENTS

The MCC requirements for employers (or regulated firms) are quite extensive. For detailed information please consult The Central Bank's website [here](#).

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).

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, online as eLearning sessions and through live Webinar and Face-to-Face events. These resources are available to members as part of their member benefit package. Learn more at iii.ie/cpd

2.1 ACCREDITING CPD

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

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)
- CIP
- Dip L.A., CDip LA
- Dip PMI
- DLA, DLDU, DLDC
- QFA designations
- Debt Management
- Category 1 Life Assurance
- Category 2 Pensions
- Category 3 Savings and Investments
- Category 4 Personal General Insurances
- Category 5 Commercial General Insurances
- Category 6 Private Medical & Associated Insurances
- Category 7 Mortgage Credit Agreements, Housing Loans, Home Reversion Agreements & Associated Insurances
- Category 8 Consumer Credit Agreements & 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

3. MONITORING EMPLOYEE CPD COMPLIANCE

Regulated Firms are responsible for monitoring their staff's CPD compliance. We in The Insurance Institute also monitor our active members who hold our designations or who are Grandfathered.

3.1 OUR PROCESS

Our process for monitoring CPD consists of:

- An ongoing review of members' online CPD Logs 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.

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.

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.
- Ensure evidence of external CPD activities are uploaded.
- 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 potential Central Bank on-site inspections.

3.3 EMPLOYER PORTAL

Employers signed up to our Corporate Approved Payment Scheme can access CPD compliance information on their funded staff via the Employer Portal. Employers can use their Employer Portal to track employees CPD progress and number and relevance of hours completed.

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 qualified person/grandfathered person will lose their designation/grandfathered status 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 [here](#)

Action taken by The Insurance Institute

If any qualified or grandfathered member fails to complete their CPD requirement 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 their required CPD for a second time in any 5 year period – a ‘second fail’ – they will:

- have their designation/granfathered person removed
- be removed from our Register of Compliant Persons, and
- we will inform their employer of this.

Employers are then legally bound to remove the individual from the employer’s Register of Accredited Persons as a result, and they cannot work as an accredited person in a specified function.

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

4. EMPLOYERS’ RESPONSIBILITIES REGARDING NEW ENTRANTS

Those commencing a role as an accredited person in a 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 [the 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 designation

All new entrants must work towards a recognised designation relevant to their role 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.

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](#) for all of the relevant information.

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.

5.2 WHAT'S INVOLVED IN SUPERVISION?

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.

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.

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.

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

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.

6. CONTACT US

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

Member Related Queries

Contact our Member Services team on 01 645 6670 or memberservices@iii.ie

Corporate Account Queries

Contact Nicola Carroll
ncarroll@iii.ie or 01 645 6625

CPD Accreditation Queries

Contact Maria McGeever
cpdaccreditations@iii.ie or 01 645 6670