

Opening Address - Friday, 14th May 1999

**David N. Caird
President
The Insurance Institute of Ireland**

I feel very honoured to be standing before you today as President of the Insurance Institute of Ireland.

I am indeed very conscious of the paramount and pivotal position which this Institute is required to play in developing its strategic mission which is "the development of professional people for the Insurance and Financial Services industry".

The aims of the Institute are:-

- (1) To provide quality education, training and development programmes.**
- (2) To set high standards of professionalism and,**
- (3) to maintain a high level of service to members, students and the industry.**

From the remarks which one sees in the national dailies and the criticism which one hears from time to time of our industry from the consumer organisations, thankfully at a much reduced level during the past decade than during the previous one, you will quickly realise that a higher level of professionalism exists in our industry today than some years ago. Whilst this is undoubtedly due in no small way to the self imposed regulation within our industry with our industry leaders continuously seeking higher standards and professionalism from our members the role of the Institute has been pivotal in implementing courses, seminars, and the like, to respond to the industry's needs and I am fully cognisant of the role which I must play in leading our Institute with Counsel and our executive staff in this area in the year ahead.

The Institute currently has 3,700 members and this must be regarded surely as a low number when one considers that there are over 12,000 employed within the Insurance industry in Ireland together with numerous brokers and Agents a great number of whom deal directly with the public.

Whilst we have within sectors of our industry agreed minimum professional standards for those people dealing and giving advice to members of the public we do not have agreed minimal professional standards across every segment of our industry for those dealing with the public. This must surely be regarded as an area where we have got to change our approach. Whilst I accept that many employers invest very heavily in the training area with both in-house and outsourced training for those members of staff who deal both directly and indirectly with the public nonetheless we do not have an industry standard for every segment of the market and I firmly believe that if we are to build up the confidence and trust of the public at large in the services which we provide whether it be through a broker, agent or direct with an Insurance Underwriter confidence can surely only be built up in the knowledge that the person responding to queries has a minimum recognised professional qualification demonstrated in the way he deals with the public. The Institute is well placed to respond to any request from the market place in this area. With the consumer demanding higher professional standards all the time surely we should be considering putting in a voluntary code of standards for all sectors of our industry rather than responding to potential consumer regulatory pressures which might arise down the road.

The Institute's Certificate in Proficiency Course cost us IR£400 for an individual to complete and must be regarded surely as a basic for any members of our industry dealing with the public on the general side. If we were just to double the number of our student members qualifying on this Course the total cost spread across our industry would amount to IR£1.5m.

We already as you know have minimum requirements for those dealing with the public in the financial sales area and on the general side at least one Broking organisation the IBA has set minimum professional standards for its members.

Many of you might argue that now is not the time to make such a suggestion when a shortage of labour makes it difficult to fill vacant positions. Perhaps what we are overlooking is the sophistication and intelligence of Irish youth, they no longer just want a job, the

brighter among them want to do skilled or professional work, perhaps they might be motivated into joining our Industry in the knowledge that high professional standards have got to be achieved at all levels.

We all accept that it is difficult to get qualified staff at this time thanks in no small part to the Celtic Tiger. We surely all agree that irrespective of any Celtic Tiger if we were to be regarded through increased standards and professionalism as a worthwhile career to follow then we would have more students studying insurance and looking for jobs within our industry. For the last decade the University of Limerick has produced many worthwhile graduates with insurance specialism but for the past few years there have been insufficient coming out of the University to fill the vacancies in the market place, or is it that the traditional market place is no longer attractive to them. What must we do to change the tide? The Institute in conjunction with University College Dublin have negotiated for insurance modules to be introduced into the B.Com.

degree and the Bachelors of Business Studies night degree with insurance modules is being developed in conjunction with the Dublin Institute of Technology, the results from these areas however will not be seen for some years.

The bulk of the Institute's subscription income come from employers (and we are most grateful that your increased subs. this year has allowed us to extend our services). The Institute works very closely with employers, to ensure that as far as possible market educational and training requirements are being appropriately met.

The Institute in conjunction with the Irish Brokers Association developed a foundation course to provide basic knowledge for brokers dealing with the public. In addition the Institute has developed in response to market requests an Irish version of the Financial Planning Certificate. We will continue to provide courses for students at all levels and are in a position to respond to any request from the market place to introduce a

foundation type course across the entire spectrum of our industry and especially appropriate I believe for those members of our industry dealing with the public whether working with a Broker, Agent, Traditional Underwriter or a Direct Underwriter.

The ways in which we all deal with members of the public as prospects and clients has never received more attention from all our researchers, sales people, marketing and public relations than during the past decade and this is essential not alone for the development of our individual businesses but overall to ensure that the Insurance business is recognised and seen operationally as being a Body of professionals who have the resources and innovativity to meet the modern day demands of business and society in providing products and services, some sought after, some necessary, in our times. We must be prepared to be somewhat non conventional when necessary remembering of course at all times that the security of our policyholders and shareholders must not be compromised.

Ten years ago who would have imagined that gradual pollution liability cover and clean up costs cover might be required by Irish clients let alone provided by Underwriters. Two years ago who would have been brave enough to stand up and say that we are prepared to consider provide a Liability and Asset Year 2000 form of Policy. There is clearly evidence that we are prepared as an industry to be non conventional, we are prepared to be innovative, however I feel that we should be able to respond in these areas at a much greater speed than we do.

Through the process of ongoing professional development which we are all required to undertake as part of our membership of the Insurance Institute we can through our own personal development play our own individual roles to a much greater and more effective degree in assisting the development of each of our companies in a very professional and meaningful way to meet the ever increasing demands of Irish business and society to come up with new and innovative insurance products within a very competitive market place.

Our Conference theme this year Investing for Success in the Global Market Place highlights the challenges facing the Insurance industry. We yesterday heard very interesting papers from Bill Hannan *"Investing for success in the global market"*, Eamonn Heffernan *"The shape of pensions in the 21st century"* and then from Ruairi Quinn, Leader of the Labour Party *"The Challenge for Financial Services"*.

Today we continue with this theme with an address by Karl Whittmann man on *"The Changing World of Insurance and Re-Insurance"* and from John Coomber on the subject of *"Trends in Life and Health Insurance"*