

BBT – Workshop
Erfahrungsaustausch eidgenössische Prüfungen

eficert working group ANCHOR: Anchoring Insurance Intermediaries according to the standards of EQF and EU intermediary directive

Matthias Stettler
VBV / AFA

matthias.stettler@vbv-afa.ch
www.eficert.eu



About eficert



- **founded** in 2002 from eiet [www.eiet.org]
- **Members**: associations representing educational interests of the national insurance industry
- **Countries represented**: 17
- **Mission**
 - achieve joint European certifications of **equivalent** [*not: identical*] national qualifications in accordance with defined standards
 - take account of the harmonization of the European market
 - base its certificates on practitioner- and customer-oriented education and training

Eficert members

(active or passive in 2009)



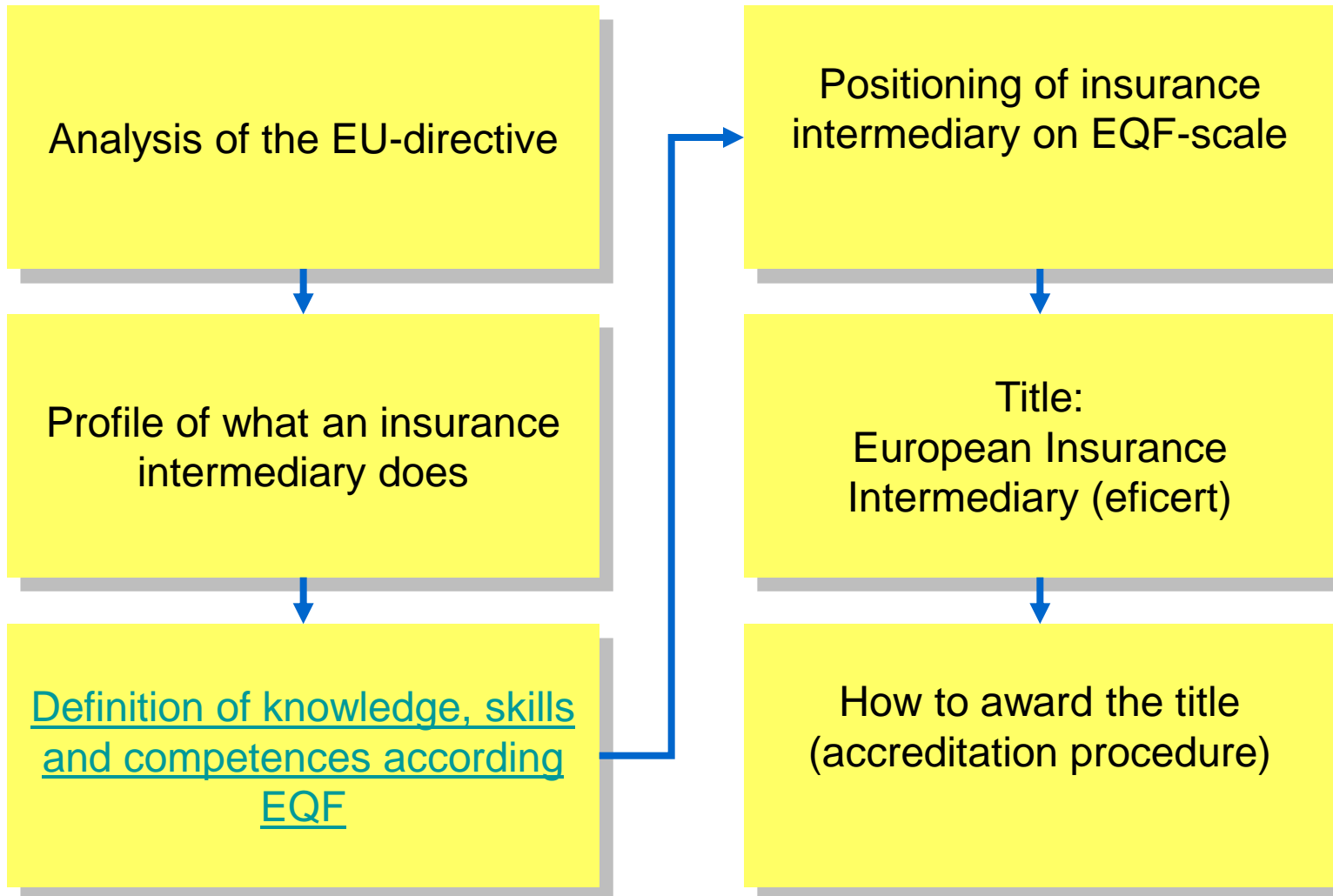
Austria	<u>Bildungsakademie der Österreichischen Versicherungswirtschaft (BÖV) - Training Association of the Austrian Insurance Industry</u>
Belgium	<u>L'Union Professionnelle des Entreprises d'Assurances (UPEA)</u>
Cyprus	<u>The Insurance Institute of Cyprus</u>
Denmark	<u>Forsikringsakademiet - The Danish Insurance Academy</u>
Finland	<u>Finnish Financial and Insurance Publishing Ltd FINVA</u>
France	<u>Groupe École Nationale D'Assurances</u>
Germany	<ul style="list-style-type: none">- <u>Berufsbildungswerk der Deutschen Versicherungswirtschaft (BWV) - Vocational Training Institute of the German Insurance Industry</u>- <u>Deutsche Versicherungsakademie (DVA) - German Insurance Academy</u>- <u>Berufsbildungswerk der Bausparkassen (BWB) - Vocational training institute of the building society & saving banks.</u>
Greece	<u>Greek Institute for Insurance Education (EIAS)</u>
Hungary	National Insurance Training Centre
Italy	<u>Istituto per la Ricerca e lo Sviluppo delle Assicurazioni (IRSA) - Institute for Research and Development of Insurance</u>
Latvia	<u>Rīgas Ekonomikas Augstskola - Stockholm School of Economics in Riga</u>
Malta	<u>Malta International Training Centre</u>
Norway	<u>Forsikringsakademiet - Norwegian School of Management BI, Academy of Insurance Senter for finansutdanning - Norwegian School of Management BI, Financial Services</u>
Spain	<u>Investigación Cooperativa entre Entidades Aseguradoras (ICEA)</u>
Sweden	<u>IFL at Stockholm School of Economics - IFU</u>
Suisse	<u>Schweizerische Trägerschaft für Berufs- und höhere Fachprüfungen in Bank, Versicherung und Finanzplanung (BVF) - Organe Suisse responsable des examens professionnels et supérieurs de banque, d'assurance et de planification financière</u>
Turkey	<u>Turkish Insurance Institute</u>

Project aims

- Development of a **European qualification standard** for insurance intermediaries according to EU-directive → **certificate**
- Testing the applicability of the **European Qualification Framework**
- Implementation of a **certificate** for insurance intermediaries in the eficert member states
- Taking a first steps towards a **Sectoral Qualification Framework**



Results



Professional requirements according to EU mediation directive

- *Preamble (21)*
 - *Less need to require information (...) for commercial and industrial risk (see Art. 12 (4)) → private customer risks*
- **Art. 2 (3)**
 - Introduce, propose or **carry out other work** to the conclusion of insurance contracts, conclude such contracts, or **assist in the administration** and performance of contracts, in particular **in the event of a claim**
- **Art. 12**
 - (1) **provide** the customer with the following **information**
 - His identity and address
 - The register he is included in
 - Which company or companies he represents (tied or untied)
 - (3) **Specify** the demands and the **needs** of the customer (in particular on the basis of information provided by the customer)
 - Specify the underlying **reasons for** any **advice** given to the customer on a given insurance product
 - Module (adapt) the reasons for the advice to the complexity of the contract
 - **Propose an insurance contract**



Profile “European Certified Insurance Intermediary (eficert)”



- Guide the private (and small business; not industrial) customer through the sales conversation autonomously and systematically
- Explain to the customer his personal professional background and situation (registration, company/companies represented ect.); explain the types of services he offers)
- Make a needs analysis
 - Collect relevant information
 - Identify the needs and wishes of the customer
 - Identify the risks to be covered
- Find a solution
 - Compare the insurance needs and wishes of the customer and the eventual existing coverage
 - Develop possible solutions in order to fill the identified gap
 - Identify the most valuable solutions for the customer
- Propose solutions to the customer and explain consequences
 - Show the (possible) gap to the customer
 - Discuss possible solutions with the customer
 - Point out the necessary coverage and compare with economic possibilities of the customer
 - Agree with customer on the solution to be followed
 - Offer appropriate product/s and explain correctly the insurance conditions
 - Make sure that the customer understands the contract/s offered
- Get contract signed or make appointments for further steps to be taken
- Make a documentation of the conversation
- Follow up the contract
 - Review contracts and conduct measures to manage portfolios and maintain contracts
 - Assist customer in case of claim (advice concerning claims process)



Skills (is able to...)

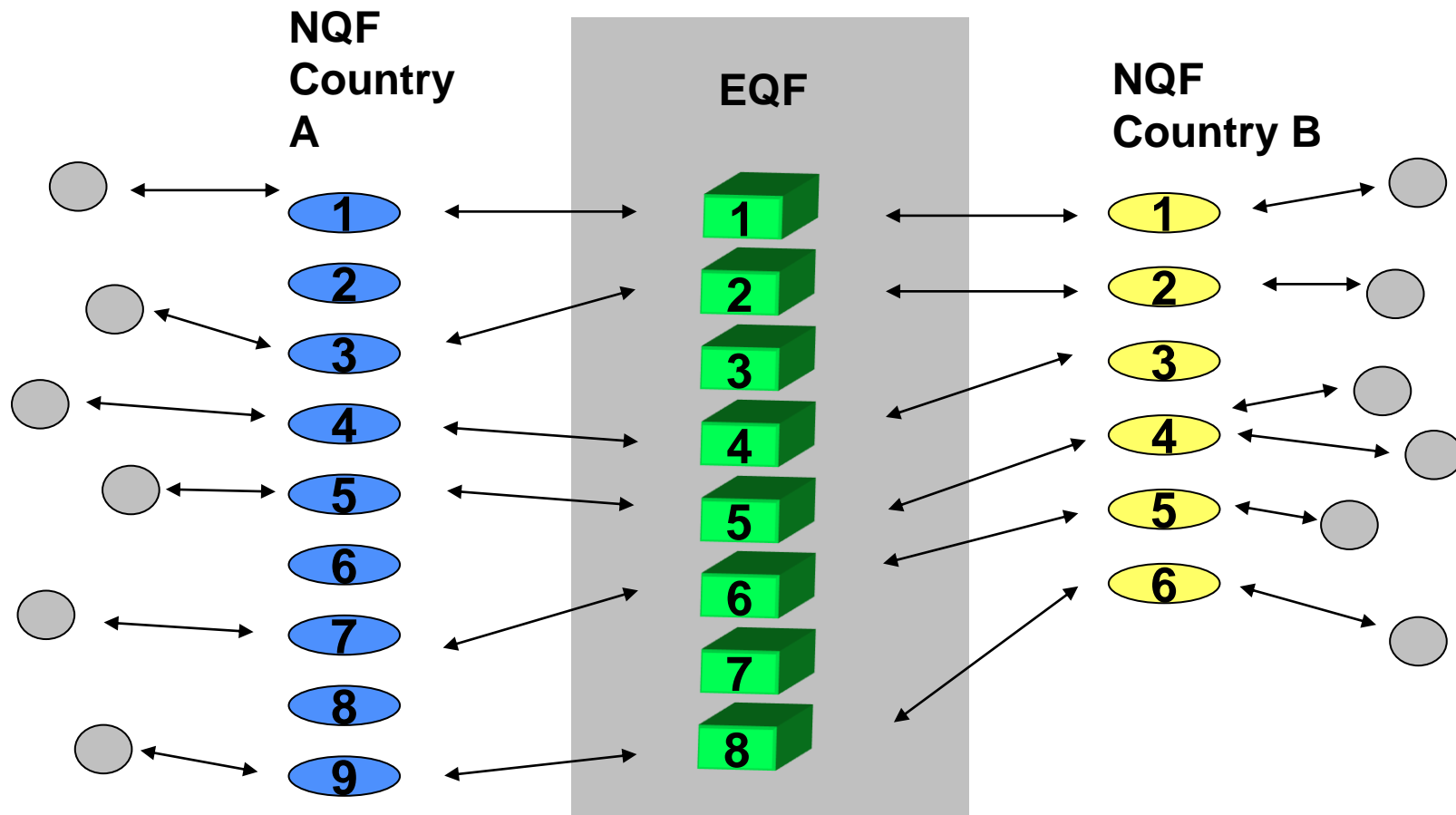
1. Apply sales techniques for a structured sales process
2. Communicate with customer according to communication principles
3. Realise the customer's information needs and give the background information required (personal professional background and situation: registration, companies represented ect.; type of service he offers)
4. Use sales software and support tools in a customer-oriented way (if relevant)
5. Collect relevant information from the customer concerning
 1. the economic situation of the customer
 2. The risk profile (e.g. personal data (age, family status), profession, income, possessions)
 3. Existing insurance coverages
 4. legal situation (e.g. ownership, obligations)
 5. Identify the risk profile of the customer
6. Interpret the risk situation of the customer
7. Identify the risks to be covered
8. Compare the insurance need of the customer and the existing coverage
9. Develop solutions in order to fill the identified gap
10. Balance the possible solutions taking into account customer (e.g. economic), company and own aspects
11. Organize the solutions developed into a hierarchy in accordance with the customer's situation
12. Take into account the impact of tax system for the customer and match it with the proposal
13. Explain solution to customer
14. Explain correctly the insurance conditions of the coverage plan offered
15. Show the possible gap to the customer
16. Make sure, that the customer understands the contract offered
17. Evaluate customer objections, get a clear idea of the customer's attitude towards the contract offered
18. Give arguments for the solution offered
19. Adapt the offer according to objections, if appropriate
20. Get contract signed or make appointments for further steps to be taken
21. Make a documentation of the conversation
22. Follow up the contract
23. Handle a CRM-system
24. Generate links for the consolidation of the customer contact
25. Use office organisation tools
26. Understand and apply the principles of claims handling
27. Make changes to contracts and conduct measures to manage portfolios and maintain contracts
28. Review customer contracts and take appropriate measures
29. Give the customer advice concerning the claims process
30. Advise customer how to avoid damages / losses

Knowledge, skills and competences of an insurance intermediary

Knowledge	Skills (is able to...)	Competences (... enables him to do) (responsibility / autonomy)
<ol style="list-style-type: none"> 1. National insurance industry 2. National tax system 3. National social insurance system 4. Legal aspects relevant to insurance business 5. Fiscal aspects of a contract 6. customer protection regulations 7. Concept of risk 8. Economical aspects (e.g. profitability; combined ratio) of insurance contracts 9. Components of premium calculation 10. Insurance branches (e.g. household, car, liability, life...) 11. Products 12. Market and Competition 13. Product and company ratings 14. Customer (risk) profiles and behaviour 15. Psychological aspects of buying and selling 16. Communication principles 17. Sales software and support tools (data bases etc.) 18. Claims handling (company regulations, processes, customer obligations, regresses) 19. Working processes within the company; working organization 	<p>***next page***</p>	<ol style="list-style-type: none"> 1. Act in accordance with ethical guidelines 2. Building up a confident relationship with customers (on technical and commercial aspects) 3. Create a balance between conflicting interests of customer, sales person and insurance company 4. Chose the right strategy to conclude the contract 5. Focus all activities on the goal of the sales process



The European Qualifications Framework (EQF)



The Insurance Intermediary on the EQF

Level	Knowledge	Skills	Competence
Level 1	basic general knowledge	basic skills required to carry out simple tasks	work or study under direct supervision in a structured context
Level 2	basic factual knowledge of a field of work or study	basic cognitive and practical skills required to use relevant information in order to carry out tasks and to solve routine problems using simple rules and tools	work or study under supervision with some autonomy
Level 3	knowledge of facts, principles, processes and general concepts, in a field of work or study.	a range of cognitive and practical skills required to accomplish tasks and solve problems by selecting and applying basic methods, tools, materials and information	take responsibility for completion of tasks in work or study adapt own behaviour to circumstances in solving problems
Level 4	factual and theoretical knowledge in broad contexts within a field of work or study	a range of cognitive and practical skills required to generate solutions to specific problems in a field of work or study	exercise self-management within the guidelines of work or study contexts that are usually predictable, but are subject to change supervise the routine work of others, taking some responsibility for the evaluation and improvement of work or study activities



Title

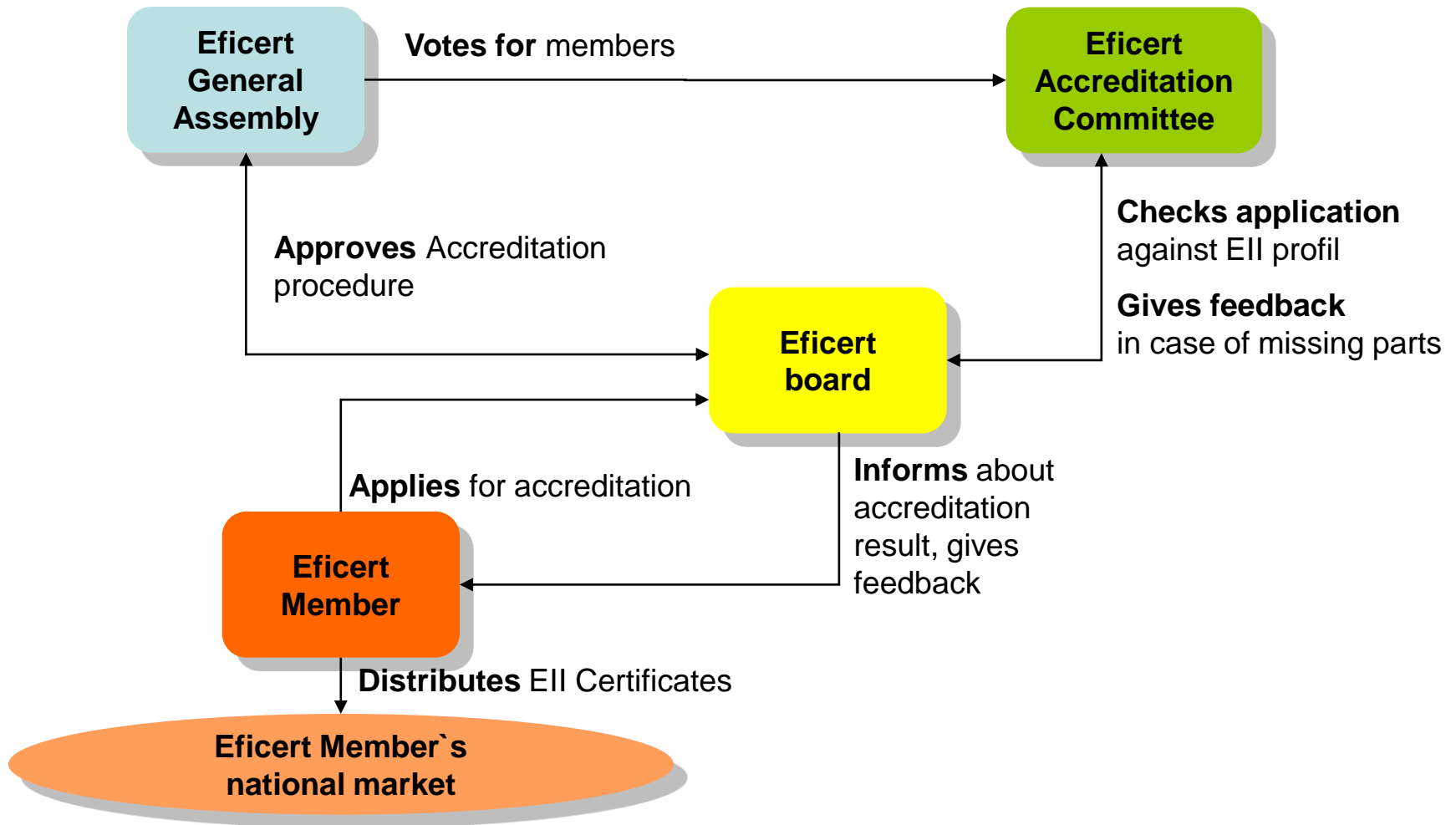


European Insurance Intermediary (eficert)

Abbrev.: EII



Accreditation procedure



Accreditation criteria

(see: accreditation manual)

- assessment of intermediary qualification has to **cover knowledge, skills and competence** defined in EII
- assessment has to be submitted by a person authorized by the eficert member and has to be documented using **standardized evaluation forms** (no self-evaluation alone)
- assessment procedure and the supervision of this procedure has to be **clearly defined**.
- decision-taking has to be **described** (measurement; limit for passing / not passing defined)
- In case of assessment-documentation, the eficert-member has to **supervise** and approve the procedure (i.e. exams or training courses delivered by companies or other organisations)
- no knowledge-tests alone, but **case-based, solution-oriented questions** (open and/or multiple choice)
- Test must be done by testee alone (without help); **individual test**
- Every test has to be **evaluated** and testing results have to be recorded.
- Assessments / tests have to be **standardised and objective** (e.g. if oral exams, then a standardised evaluation form is needed)



Applications 2009

Country	Result
Switzerland	accredited
Malta	revised
Turkey	Revised
Germany	accredited
Austria	accredited

Applications 2010

Country	Result
Italy	...
France	...
Denmark	accredited
Turkey	accredited
Malta	...
...	

Roll out



- According to Implementation Manual
- Registration number for certificate holders
- Central registration
- Publication of certificate holders on website eficert



Benefits of a European Certificate for Insurance Intermediaries

- No new restrictions, but voluntary move in participating countries
- Possibility to actively shape the framework of insurance qualification within Europe from side of insurance industry
- Acknowledgement of a benchmark based on competences (outcome-orientation) for institutional, corporate customers
- Motivation for life long learning for sales people
- Orientation for HR Management of global player companies
- Quality assurance for qualifications
- Orientation for authorities when comparing qualification levels for cross-border activities (see: German implementation of 2005/36/EC)



Thank you for your interest!