



Launch of The Insurance Institute of Ireland's Strategic Plan 2009 – 2011

“Your Profession – Our Priority”

21st April 2009

Introduction

Firstly, can I thank you all for giving up your time to attend here this morning.

I take your response, and indeed your attendance and commitment, as a reflection of your interest in and of the importance that you place on developments within the Insurance Institute and their impact on our Industry.

Your support is appreciated and necessary, and as key stakeholders and Industry leaders the impact of such support cannot be overstated; I will comment further on this at the end of the presentation. A hard copy of this presentation and a summary of our strategic plan will also be available later.

At the outset I want to emphasise that there is not, nor should there be, any material difference or conflict between the aims and interests of you, as major stakeholders of the Institute, and the Institute itself. The Insurance Institute of Ireland is not and should not be a self serving body; rather, its existence is predicated on providing the required support structures and services to meet the needs of our members, the industry, and the economic environment in which they operate.

The Institute has invested great efforts into identifying the present and future needs of the industry in terms of insurance professional expertise. In addition, it has taken a critical look at itself and the way it has served the profession, and is taking significant and material steps to ensure it operates in accordance with best practice.

In relation to this whole process I want to remind all that The Insurance Institute of Ireland is a members' organisation: the membership is the life blood of all our activities. However, the interests of our members are inextricably linked to the interests of the Market; the Insurance Institute is in a unique position in this regard in that it is representative of all those engaged in the industry, from the Chief Executive to the student entrant and all points in between.

In particular, we are committed through our objectives to provide relevant programmes of quality insurance education, and to anticipate the training and development needs of our members and the industry, with a particular focus on maintaining and supporting an up-to-date CPD policy and programme for qualified members.

The Institute, and through it our Local Institutes, has progressed beyond all recognition over the past decade. This has not happened by accident, but as a consequence of the imagination, foresight and dedication of our members and key stakeholders within our industry. Through the establishment, and in particular the implementation, of the strategic planning process they have provided the bedrock of the major developments we have delivered to date.

This has ensured:

- a. Ever increasing membership, now in excess of 10,000.
- b. Record numbers sitting examinations: rising from 3,046 in April '08 to 4,281 in April '09.
- c. A bespoke national professional development programme, educational roadmap and examination and qualification structure, from CIP and QFA through to Associateship/Fellowship, which is tailor-made and unique to our industry needs, and that can withstand comparisons against any national and international benchmarks or standards. This is something for which the Institute is justifiably proud.

The key objectives for the current session were to continue and complete a process started by my predecessors, and in particular Aidan Cassells, to ensure that we build on the progress of the past and complete and adopt an even more

ambitious, dynamic, forward-thinking plan that will see us through to the next stage of our development.

This brings me to the reason why we have invited you to be with us today.

- a.** Today is the first of a series of events the Institute has organised to inform our key stakeholders of the future direction we are taking. It has to be emphasised that this plan is based upon a foundation of previous plans, many of the achievements of which may not previously have been communicated as effectively as possible. I am determined that all our stakeholders will be informed as fully as possible about how we are adding real value to this industry and to those who work in it.
- b.** In addition to the invaluable input we received from the various surveys we conducted as part of this planning process, we also carried out an analysis of the environment in which our members operate, to make sure that not only is the Institute appropriately positioned to confront these turbulent times, but that our members, the front line insurance professionals, are being provided with the best and most relevant services to support them and to maintain the competitiveness of their employers.

However, as we have seen, economic change can be rapid and the needs of the market and our members can change just as quickly. So the structures we are putting in place must ensure continued flexibility and our service response must adapt, change, upgrade, and improve on an ongoing basis. We as a professional body are service providers, not market makers, and we must ensure our structures and services can respond to necessary market needs in a timely and cost effective manner.

I am sure you can all appreciate that the completion of a new direction in this three year strategic plan involves much work and research from a range of people. This then produces a vast amount of information and detail all of which has to be reduced to a level that is accessible. Today I want to cover just the very top line issues that are covered by this process so that you have a good appreciation of how the Institute is responding to current market conditions and helping to prepare our members to deal not just within current circumstances, but also to develop and up-skill to avail of the advantages of future market recovery and growth.

These are:

- **Corporate Governance and Transparency**
- **Relevant Products & Services – Education & CPD**
- **Value for Money Equation**
- **More effective contact with the market and Communications**
- **Expansion of the remit of the PSAB – GI**
- **Placing at centre stage professional standards, business ethics and professional conduct**

1. Corporate Governance & Transparency.

Having conducted a survey of best practice in the area of corporate governance, and to ensure continuity and transparency in the policy management of the Institute, our plan allows for the creation of a new position of Non Executive Chairman of the Executive Committee for a period of 3 years, a position that will be held separately from that of the National President. This decision will provide focussed continuity in the policy oversight of the Institute's affairs and provide more effective support to the Chief Executive and his team.

By maintaining sound Corporate Governance structures and strictly operating same we can ensure that there is confidence in our internal processes and procedures, thereby best positioning ourselves to demonstrate efficient management, preserve key stakeholder and member value, and adhere to the same commercial norms, demands and disciplines as the market in which we operate and provide services.

2. Education.

- a. An intensive, integrated and relevant education road map has now been firmly established for the insurance professional, devised to meet the needs of the industry.
- b. The requirements of the Financial Regulator in relation to competency levels have been consistently satisfied by the Institute's education programmes, either solely or in constructive and cost efficient partnership with other professional bodies, particularly the IOB, LIA, IIPM and the ACOI.
- c. The developing Members' online services will provide greater access, effectiveness and efficiency to all our stakeholders. CPD, tuition and e-learning will integrate still further the Institute, its activities and those it serves.
- d. The appointment of an external expert to the Executive Committee to enhance the standards of the Examinations' & CPD Services Committee.

In relation to Education the Strategic plan focuses on the following points:

- Continued development of our educational programme and qualification structure; in particular, focusing on being the provider of choice of Insurance technical, educational and training programmes.
- Supporting the industry to meet Minimum Competency Requirements with minimum disruption to their businesses. This is being achieved through the development of greater tuition and exam support to assist students, while also expanding the exam opportunities to meet the timeframes set by the Financial Regulator.
- Ensure there is a qualifications framework in place that includes qualifications independently recognised by the National Qualifications Framework. These qualifications and supporting services and products are being developed in conjunction with the industry to meet current and future needs. We are engaging more closely with the industry to ensure the qualifications and support is in place when needed.

3. CPD Development.

- a. Success of PSAB-GI as a model of industry inclusive engagement
- b. Provision of online CPD services to compliment the aforementioned online tuition and E Learning service developments
- c. High participation in CPD breakfast lectures and Conferences
- d. Planned localisation of CPD requirements for those members who hold Associateships and Fellowships qualifications which are now recognised in over 140 countries.
- e. Plans to extend PSAB-GI's services across the domestic insurance community (General, Life and Pensions, and Private Medical Insurance sectors) to meet demand for regulatory and professional development support requirements.

4. Value for Money.

- a.** The Institute is committed to the maintenance and improvement of robust financial planning and budgetary processes to ensure the continued financial security of the Institute. In particular the strategic plan and the financing of the plan must adhere to the solvency aims and requirements as set down by my predecessors.
- b.** We are now fully financed by our own membership and no longer in a position of having to seek corporate subvention for our day to day needs. The services provided to our members and corporate stakeholders ensure that we operate to the same criteria as the market in which we operate through being a value for money proposition.
- c.** As part of providing greater value to the membership of the Institute, the membership subscription structure is to be redesigned to provide basic CPD as a benefit, thus ensuring members' compliance with the Financial Regulator's minimum competency requirements.
- d.** Membership subscription fees continue to be comparatively low relative to other leading professional bodies, while comparative service offerings and levels rank very highly as we aim always to be 'best in class'

5. Structural Changes.

The structure of the Institute evolved naturally in accordance with the demands placed upon it in the past; this was service efficiency and departmental based. With the changing and increasing demands of the industry and the market, this is now being reorganised with the focus on responding to the current and future needs of our members and stakeholders with an emphasis on service support and effectiveness. Current staff levels relative to the number of members places the Institute high in human resource efficiency terms.

6. Information Technology Platform.

In order to remain at the forefront of service provision to its members, a comprehensive online membership service is being developed. This will provide members with direct online access to their professional body. It will also facilitate companies in their dealings with the Institute.

7. Engagement.

The Institute will continue to invest in comprehensive marketing and communications directed to:

- a. The Industry Key Stakeholders**
- b. The Membership**
- c. Other Professional Bodies**

The Institute will communicate to members (and potential members), industry leaders, and other relevant professional and public bodies that it is a valued, market-leading body for education, training, CPD, MCR and membership resources for the insurance and related financial services industries.

The Institute will communicate to members and potential members that membership of the Institute is not solely limited to the payment of an annual subscription, but is a complete package of member services which includes relevant, accessible information on and progression through training, education, CPD; support for members experiencing difficulties in the current economic climate; and the provision of MCR in the annual fee.

We will raise the Institute's representational profile with relevant regulatory and public authorities by articulating members' professional concerns to those agencies, and by informing the members about evolving, relevant educational, training, regulatory and public interest developments.

We will cement in the consciousness of members and the industry, the idea of the Institute as a 'one stop shop' for technical education, CPD and MCR with the necessary supporting infrastructure; and that it works closely and continuously with all relevant education and professional bodies.

We will create a new awareness and understanding of the Local Institutes as a central part of that supporting infrastructure, and as conduits for articulating members' professional needs and regulatory concerns, in addition to their traditional roles in the sports and social calendar.

We will promote the charities effectively, especially through the Local Institutes

8. Ethics and Code of Professional Conduct.

Lord Hunt, 9th February 2009

“Every part of our profession, from general insurance to life and financial advice - has faced a difficult time during the past decade in terms of public trust and esteem.

People too easily forget that that, whatever the level of skills an individual possesses on paper, he or she must also have an appropriate level of ethical behaviour.

That is the minimum the public will expect.

As a rule, professional bodies have certain distinctive features:

- *They should be independent and promote the public interest.*
- *They should promote and maintain excellence in the quality of services provided by their members to customers and clients.*
- *And, broadly, professional bodies should seek to do this by setting standards of entry to the profession and by ensuring that professional practice puts customers first.*

They are not 'representative' in the crude sense of being a trade union, simply amplifying the collective views of members. They set and continuously monitor the training and qualification requirements of professions.

They set practice standards and issue practice guidance.

They should have a Professional Standards Board or equivalent; through that they can set ethical and conduct requirements.

They should also ensure that members maintain a high degree of competence and expertise via CPD and can provide evidence of it.

They also monitor the service provided by members to deal with areas of risk and to assure quality.

They should, for when things go wrong, have appropriate "whistle-blowing" procedures and fitness to practice schemes.

They also handle complaints and take disciplinary action.

What is required is a professionalism package, not just a timetable for the exams an individual needs to pass and the boxes he or she is required to tick."

It is part of the stated objectives included within the strategic plan that we position the Insurance Institute of Ireland to be at the forefront of ensuring the adherence by members to a standard of professional conduct and code of ethics, and that membership of this organisation stands for such conduct and standards and is seen to mean something by all those engaged with our industry.

In this regard we are examining ways to extend PSAB's services to include the promotion of professional ethical conduct.

9. Successes to date.

There have been numerous successes that have already been articulated; however, we cannot rest on our laurels. In this increasingly competitive and

regulated environment, we want to raise the bar and take the operation and services offered by the Institute to new levels.

10. Action.

- a. Thank you all for coming today and for your continuing support for the Institute.
- b. As I said earlier, this is the first in a series of public briefings on the activities of the Institute. The next will be held on 23rd July, during the Industry Leaders' Lunch, which will coincide with a presentation from the Chairman of Lloyds – Lord Levine.
- c. Both I and the Chief Executive will visit the offices of some of the key stakeholders to follow up on the plan to keep them in touch with its rollout.
- d. Members of the Institute's Strategic Review Committee will be participating in various focus groups which are intended to ensure that members and stakeholders' needs are being met.
- e. I want to ask directly for your support and engagement with the Institute. As industry leaders and as people who those working within our industry look up to, I want to ensure that you are supportive of and committed to the aims and objectives of this body. Your encouragement, leadership and example is the most significant contribution you can make to ensure the effective implementation of our plan, and also to ensure that the Insurance Institute as a professional body continues to make a necessary and effective contribution; not for its own benefit, but ultimately for the benefit of our members and the companies.
- f. In order to create and maintain continuous high level feedback, we want to encourage the appointment in each company of a senior member of staff to act as a liaison person on Institute affairs.
- g. A hard copy of today's presentation together with a summary of the Strategic Plan is available for all to take away. An email will be sent to you with a link to the Institute's Website where a copy of the plan as approved by National Council is available for downloading.

11. Comments and Feedback.