

CPD for the CIP Designation

The key requirement in relation to CPD, in the context of the Minimum Competency Requirements, is that “*the content of the CPD hours must be directly relevant to the activities undertaken by the accredited individual*”.

The key activities in the context of the CIP designation are:

- providing advice to consumers on general insurance products;
- arranging or offering to arrange general insurance products for consumers;
- being involved in the decision-making process, or assisting consumers, in relation to general insurance claims;
- adjudicating on complaints relating to advice about general insurance products; and
- reinsurance mediation.

The content of CPD hours for the CIP designation must therefore be directly relevant to one or more of these activities.

The word “directly” is important in this context. The view of The Insurance Institute of Ireland is that the requirement relates to the specific technical knowledge needed to carry out the activities set out in the Minimum Competency Requirements in respect of which the CIP designation is a recognised qualification. This view is reinforced by the overriding objective of this CPD requirement, which is to keep qualifications up to date and ensure that those who qualified in the past are as knowledgeable as those qualifying today. Essentially, the CPD material for a qualification must be related to the knowledge requirements set out in the Minimum Competency Requirements in respect of General Insurance Policies. These requirements are attached as an appendix to this document.

CPD needs to be widely spread, to ensure that the holders of recognised qualifications maintain and enhance their knowledge across a range of topics. Consequently, the maximum number of hours that will be awarded for any single activity or topic is 4 hours. The maximum number of hours that will be awarded in respect of a single day where more than one activity or topic is covered is 7 hours.

The Insurance Institute of Ireland accredits events for CPD credit in respect of the CIP designation. The Insurance Institute of Ireland also accredits events for CPD credit in respect of the scheme it has established for accredited individuals who hold qualifications without a CPD requirement and for ‘grandfathered’ individuals. In addition, as set out in the Financial Regulator’s Public Response on the Minimum Competency Requirements, in-house training must be accredited by one of the professional educational bodies that provides a qualification that meets the relevant competency requirement, if it is to qualify for CPD, whether under the CPD schemes of the relevant Institute or for those arranging their own CPD. In all three of these cases, The Insurance Institute of Ireland will accredit CPD only in accordance with the principles and criteria set out above.

Appendix 1 - Minimum Competency Requirements for Retail Financial Products

Retail Financial Product: General Insurance Policies

SUBJECT MATTER	KNOWLEDGE
1. The concept of insurance	<ul style="list-style-type: none"> ✓ To understand the concept of general insurance planning and the benefits it can provide to consumers in terms of protecting them against the consequences of adverse events. ✓ To understand the risks faced by consumers in a comprehensive manner and to know how to identify appropriate insurance solutions.
2. Basic legal and insurance principles	<ul style="list-style-type: none"> ✓ To know the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract. ✓ To know and understand the particular legal principles underlying general insurance, including in particular the principles of <i>insurable interest</i> and <i>utmost good faith</i>. ✓ To know the main requirements which these legal principles impose on consumers effecting general insurance policies, including in particular the duty to disclose material facts, and how these principles can impact on policy benefits. ✓ To understand the concept of <i>agency</i> and to know the main duties of an agent to his or her <i>principal</i> and how an agency may be terminated. ✓ To understand the role of the legal system and its main parties in claims settlement. ✓ To understand the need for and importance of the insurance documentation required by insurance organisations for fulfilment of legal and regulatory requirements.
3. Insurance products in the market	<ul style="list-style-type: none"> ✓ To know the main features, benefits, limitations and risks of the different generic types of general insurance policies. ✓ To know the different ways in which a general insurance policy can be arranged and owned and to understand the impact of each different arrangement on entitlement to benefit under the policy. ✓ To know the fiscal treatment for the consumer of premiums and benefits under the different generic types of general insurance policies.
4. Underwriting procedures and policy wording	<ul style="list-style-type: none"> ✓ To understand the function of the general insurance underwriting process and the relationship between underwriting and the premium charged for general insurance policies. ✓ To know the typical underwriting process and associated requirements applicable to the effecting of a general insurance policy.

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SUBJECT MATTER	KNOWLEDGE
	<ul style="list-style-type: none"> ✓ To understand the role of proposal forms and other insurance documentation and the importance of the accuracy and completeness of the information provided and to know how to ask questions (even if outside the scope of the proposal form) which extract the necessary information for consumers to be provided with the most appropriate product and ensure that they fulfil their duty with regard to material facts. ✓ To understand insurer rating guides and their application in determining premiums charged to consumers. ✓ To know what <i>reinsurance</i> is, understand why general insurance companies use reinsurance, and know its potential impact on the underwriting process for general insurance policies. ✓ To know the main different types of reinsurance a general insurance company can enter into.
<p>5. In-depth knowledge of a specific aspect of general insurance</p>	<ul style="list-style-type: none"> ✓ To know and understand in depth one of the following aspects of general insurance: <ul style="list-style-type: none"> • Personal general insurance • Commercial general insurance • Private medical insurance • General insurance broking • General insurance account management • Claims advice.
<p>6. Claims procedure</p>	<ul style="list-style-type: none"> ✓ To know the requirements on both the customer and the insurance company throughout the claims settlement process. ✓ To know the methods by which claims costs can be managed. ✓ To know the role of the legal system and its main parties in the claims settlement process. ✓ To know how to identify the extent to which the claim falls (or does not fall) within the scope of an insurance policy and why (or why not).
<p>7. Risk management process</p>	<ul style="list-style-type: none"> ✓ To know the main techniques used in risk management. ✓ To know how risk management techniques can protect consumers and their business (physically and financially).

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	<ul style="list-style-type: none"> ✓ To know how to analyse information about a consumer's assets or business in order to identify opportunities for the application of risk prevention, reduction, avoidance and retention techniques and options.
<p>8. Customer advice principle</p>	<ul style="list-style-type: none"> ✓ To know the main items of information about a consumer which should be sought <i>before</i> providing advice to that consumer about a general insurance policy. ✓ To know how to analyse information about a consumer's general insurance needs in order to accurately identify, quantify and prioritise their general insurance needs. ✓ To know how to accurately identify and compare the features, benefits, limitations and risks of different generic types of general insurance policies so as to be able to recommend to a consumer a policy or a portfolio of policies, appropriate to that consumer's insurance needs and attitude to risk. ✓ To know how to draft a reason-why statement for a consumer setting out in clear terms the reasons underlying any advice given to the consumer regarding a general insurance policy. ✓ To know why a regular review of a consumer's general insurance needs should be conducted.
<p>9. Best practice</p>	<ul style="list-style-type: none"> ✓ To understand the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to consumers. ✓ To know the main sources of risk management information, such as information provided by relevant government bodies and market associations. ✓ To know the ethical issues arising in relation to the conduct of business.
<p>10. Legislation, regulation and compliance</p>	<ul style="list-style-type: none"> ✓ To know why Governments seek to regulate financial services companies. ✓ To know and understand the difference between structural, systemic, prudential and consumer protection regulation. ✓ To know the structure of the Financial Regulator and its main functions, including its enforcement powers. ✓ To know the different types of <i>insurance intermediaries</i>, authorised under the Investment Intermediaries Act, 1995.

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Retail Financial Product: General Insurance Policies

SUBJECT MATTER	KNOWLEDGE
	<p>✓ To know the main regulatory requirements which directly apply to the activity of advising consumers on and effecting of a general insurance policy, including in particular:</p> <ul style="list-style-type: none">• the registration and authorisation requirements of <i>insurance intermediaries</i>• who prudentially regulates general insurance companies• the European Communities (Insurance Mediation) Regulations, 2005• the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004• relevant provisions of the Consumer Credit Act, 1995 in relation to insurance and housing loans• the provisions of relevant Codes of Conduct, issued by the Financial Regulator• the conditions of 'execution only' transactions• obligations on insurance intermediaries as designated bodies under the Criminal Justice Act, 1994• the benefits provided to consumers by the Investor Compensation scheme and the limitations of that scheme• the details of the Financial Services Ombudsman scheme• the provisions of the Data Protection Act, 1988 related to the maintenance, disclosure and use of personal data.