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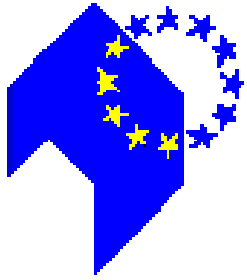
# **National professional requirements for insurance intermediaries**

**according to the implementation of the directive on  
insurance mediation 2002/92/EU**

**Evaluation of the situation in 10 EU Member States and 2 other European  
countries**

**Thomas Krämer (BWV)  
Nadia Zürcher (VBV / AFA)**

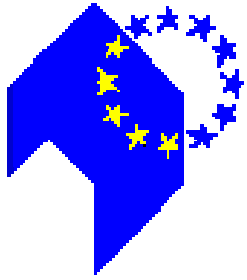




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## Topics

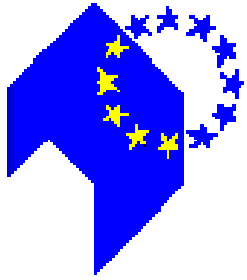
- Impulse for the development of the questionnaire
- Directive 2002/92/EU: Status as per September 2005
- Directive 2002/92/EU: Status as per May 2006
- Heterogeneous distribution channels of insurance products in Europe
- „Classes“ of insurance intermediaries according to the EU-directive
- Structure of the questionnaire
- Results of the evaluation
- Lessons learned
- Perspectives



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## Impulse for the development of the questionnaire

- European Conference in Cyprus 2005
- Cooperation of VBV/AFA and BWV
- Challenge:
  - Article 4 (Directive 2002/92/EU)
  - Professional requirements
  - 1. Insurance and reinsurance intermediaries shall possess appropriate knowledge and ability, as determined by home Member State of the intermediary
- Target:
  - Evaluation of the „status quo“ in 25 European countries
    - Find out if there are common aspects and elements which characterize the professional profile of insurance intermediaries Europe-wide
    - Find out responsibilities for qualification and examination (title?)



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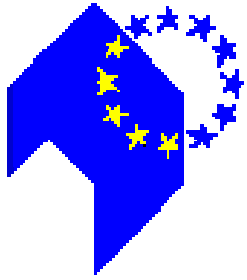
## Directive 2002/92/EU: Status as per September 2005

- Implementation completed:

Denmark, Finland, United Kingdom, Ireland, Austria, Poland, Slovakia,  
Sweden, Slovenia, Czech Republic, Hungary, Cyprus

- Implementation not yet completed:

Belgium, Germany, France, Greece, Italy, Luxembourg, Malta, Netherlands,  
Norway, Portugal, Spain



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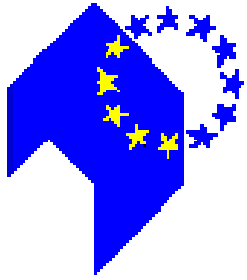
## Directive 2002/92/EU: Status as per May 2006

- Implementation completed:

Denmark, Finland, United Kingdom, Ireland, Austria, Poland, Slovakia, Sweden, Slovenia, Czech Republic, Hungary, Cyprus, France, Belgium, Italy (partially)

- Implementation not yet completed:

Estonia, Germany, Greece, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain



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## Heterogeneous distribution channels of insurance products in Europe

### ▪ Sales channels within the European insurance industry:

- Self-employed insurance agents
- Employed insurance agents
- Brokers
- “Multiple” insurance agents
- Direct Marketing (Call center agents “out-bound”)
- Banks and saving banks
- Post office
- Product accessory sales (e.g. car dealers)
- Financial Planners, Advisers, Consultants ...
- Tax advisers, solicitors, auditors
- Part time agents in different positions (e.g. civil servants)



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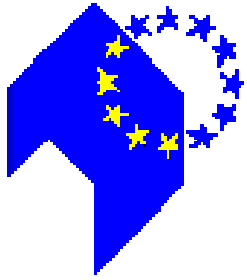
## „Classes“ of insurance intermediaries according to the EU-directive

### Insurance plus reinsurance intermediaries:

- tied
- untied

### Exceptions:

- Employed agents are not defined as „tied insurance intermediaries“ according to the EU-directive
- „Insurance adviser“ does not exist in the EU-directive
- Direct marketing is not defined as „insurance mediation“
- Several „privileged“ ways of insurance mediation



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## Structure of the questionnaire

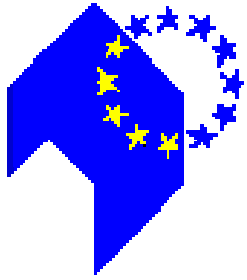
### Question No. 4

#### Problem:

How to combine the different national distribution channels for insurance products with the classification system of the EU-directive?

#### Result:

- 4a: Tied insurance intermediaries (e.g. self-employed agents)
- 4b: Untied insurance intermediaries
- 4c: Employed insurance agents
- 4d: Reinsurance Intermediaries
- 4e: Others



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## Structure of the questionnaire

### Questions 1 - 5

- Question 1:  
Implementation of the directive 2002/92/EU in the countries
- Question 2:  
General education (school/studies) which is expected/required of each group of intermediaries
- Question 3:  
Minimum qualification/certification needed of the groups of intermediaries for their accreditation/registration
- Question 4:  
Information on education/training, professional experience, exam and institution(s) for each group of intermediaries
- Question 5:  
Content of the curriculum for each group of intermediaries



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## Results of the evaluation

### Question 2

- Untied insurance intermediaries (brokers):  
For a majority a general education like secondary/high school is required for this group of intermediaries
- For the other groups of intermediaries about half of the answering countries expects and the other half requires a general education

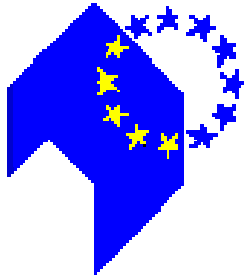


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## Results of the evaluation

### Question 4 → 4b. untied insurance intermediaries (1)

- Mostly untied insurance intermediaries (brokers) need a qualification/certification for their accreditation/registration
- For a majority of the answering countries:
  - a minimum education/training is mandatory for registration and it takes place industry-wide
  - the institution(s) which can organise the required minimum education/training is (are) not defined
  - professional experience is not mandatory for registration
  - an exam is mandatory for registration and it takes place industry-wide
  - the exam includes written, oral and practical (role play) exam
- Institutions which can award the minimum qualification/certification for registration are either not defined or only a specific organisation



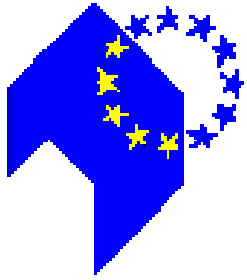
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## Results of the evaluation

### Question 4 → 4b. untied insurance intermediaries (2)

#### Specifics:

- Supervised training: 60 to 517 hours
- Written exam:
  - Open questions: 60 to 240 minutes
  - Closed questions: 60 to 160 minutes
  - Without guidelines (4 answers)
- Oral exam: factual knowledge, case studies, without guidelines



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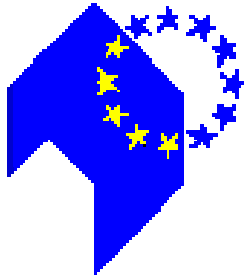
## Results of the evaluation

### Question No. 5

#### Statement/Thesis:

The basic qualification of a Europe-wide recognized/accepted untied insurance intermediary (broker) should cover the following classes of business and topics:

- Life assurance (8/8)
- Pension insurance (7/8)
- Accident insurance (8/8)
- Disability insurance (7/8)
- Health insurance (7/8)
- Liability insurance (8/8)
- Motor vehicle insurance (8/8)
- Household contents insurance (7/8)
- Building insurance (7/8)
- Legal expenses insurance (7/8)
- Property damage insurance (6/8)
- Fire insurance (7/8)
- Engineering lines (5/8)
- Transportation insurance (6/8)
- Business liability insurance (6/8)
- Risk management (6/8)
- Knowledge of the social insurance system (6/8)
- Commercial and legal knowledge (7/8)
- Communication skills for customer advising (5/8)



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## Results of the evaluation

### Question No. 5

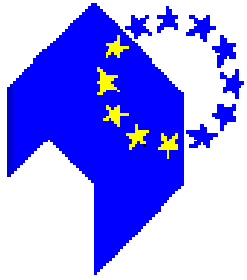
#### Problem:

The number of respondents (8) is not yet valid/representative. Topics like:

- Nursing care insurance (4/8)
- Company pension schemes (4/8)
- Ethical principles in sales (4/8)

... seem to be important for half of the respondents.

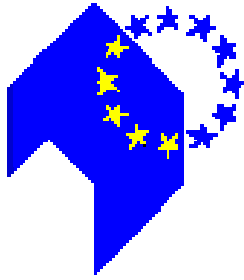
„Market overview and market analysis“ (3/8) are not so important, although a broker has to give suitable advice to his customer analysing and selecting the market range of products on offer !?



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## Lessons learned

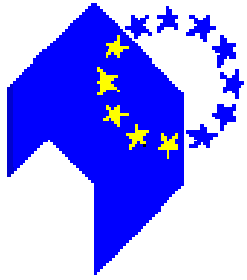
- The structure of the questionnaire and the „terminology“ were not clear/transparent for all respondents (sorry!!!). We got a lot of comments which were hardly to fit into the questionnaire.
- It is impossible to deduce „ad hoc“ a Europe-wide shareable qualification framework from the existing national professional requirements for insurance intermediaries
- Mainly untied insurance intermediaries (brokers) are bound to a mandatory national qualification system according to the implementation of the EU-directive in their home countries



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## Perspectives

- To shape a (or several) European qualification framework(s) for insurance intermediaries it is necessary to describe their competences regarding their specific professional field (incl. distribution channel) and their specific customer groups
  - Description „output-oriented“ (competences) instead of „input-oriented“ (qualification, knowledge)
  - Description of different „levels“ with respect to different professional requirement
  - Standards of EQF/ECVET
- To shape a (or several) European qualification framework(s) for insurance intermediaries it is necessary to distinguish classes of business and topics according to professional fields and customer groups



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## Example for a „Specialist-Profile“

