



**SUMMARY OF PRIVATE SECTOR CONSULTATION AND FEEDBACK STATEMENT**

**RULE ON PROFESSIONAL QUALIFICATION REQUIREMENTS – INSURANCE COMPANIES, BROKERS, AGENTS AND AGENCIES**

<b>No.</b>	<b>Section</b>	<b>Comments from the Ministry</b>	<b>Authority’s Response</b>	<b>Consequent Amendments to the Proposed Measure</b>
<b>GENERAL COMMENTS</b>				
1.		Typo on title of the document (should read "agencies") instead of 'gencies'	The comment is noted.	The error has been addressed.
2.		We would recommend that a list of employees together with their backgrounds, qualifications, duties and industry experience and recommendation by the Company that they meet the definition of “appropriate qualifications” be sent annually before January 31 each year and updated as necessary to the Authority for approval. This would seem to leave no doubt on who the company and authority have deemed a Relevant Person and whether they are approved.	The recommendation is agreed with.	The Rule has been updated to include a new paragraph 6.15 which states:  “At least annually, an insurance company, broker, agent or agency, must provide to the Authority, a list of all relevant persons with details of their qualifications, experience and duties.”
<b>SECTION-SPECIFIC COMMENTS</b>				
3.	<b>1.2</b> The Rule comes into effect six (6) months after it is gazetted.	We recommend that the Rule come into effect <b>12</b> months after it is gazette.  Certain industry participants may already be successfully working in the insurance industry. Training, professional development and other courses may be many months in length with specific start and exam dates. Allowing just six months may be insufficient for many such programs to be completed. Failure to permit sufficient time for successful completion may result in local employees losing their jobs and employers being forced to hire individuals from outside of the Islands to fill vacancies.	The Authority notes the request to extend the implementation timeframe for the Rule. The implementation period will be extended for implementation on 1 December 2021 which provides licensees over fifteen months since the measure was issued for consultation to prepare for compliance with the Rule.	Implementation date of the measure updated to 1 December 2021.

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4.	<b>3.2(c)</b> This Rule is consistent with the Authority's statutory objectives...  (c) Endeavouring to promote and enhance market confidence, consumer...	Endeavouring should be lower case "e"	The comment is noted.	The recommended change was made.
5.	<b>4.3</b> Individuals or firms which simply refer or "introduce" potential customers to an insurer or insurance intermediary, without carrying out intermediation, are not recognised within the Insurance Law and therefore are excluded from the scope of this policy...	This is very broad - perhaps consider including the concept of "without economic benefit"?  This concept is reflected in the Regulatory Policy Licensing Insurance Brokers, Agents and Agencies.  "introduce" ---this is very broad-perhaps consider including the concept of "without economic benefit".	The Authority is of the opinion that the scope of application established in the measure is sufficiently clear with the use of the phrase "...without carrying out intermediation...". It stands to reason that if there is economic benefit then intermediation is being carried out and not simply introducing.	No amendments required.
6.				
7.	<b>5. Definitions</b>	How would one know whether their qualifications/training are accepted? Will guidance be issued to clarify standard qualifications? Will guidance be released regarding the process for approval of inhouse training programme or other programme of study?	Reference 6.8 which establishes that training programmes must be pre-approved by the Authority. The measure has been updated with a new 6.9 to provide some clarity.	A new paragraph 6.9 has been included and reads as follows:  <i>"In assessing appropriate qualifications, including training programmes, the Authority will consider the role, duties, functions and seniority of the relevant person. Approval of the training programme will be dependent on the relevance of the programme material to the role, duties, functions and seniority of the relevant person."</i>
8.	<b>5.1(a) (now 5.1.1)</b>  (a) <b>"Appropriate Qualifications"</b> refers to professional insurance	We recommend that the definition of "Appropriate Qualifications" be changed to the following:  "refers to professional insurance qualifications, insurance related academic qualifications (including diplomas or	The inclusion of industry experience as a qualification requirement is not considered to be appropriate.	The term "in-house" was deleted from the definition.

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	<p>qualifications; insurance related academic qualifications (including diplomas or degrees issued by tertiary education institutions); successful completion of a CIMA approved in-house training programme; and/or completion of any other programme of study approved by the Authority.</p>	<p>degrees issued by tertiary education institutions); <b>a minimum of 5 years relevant industry experience</b>, successful completion of a CIMA approved in-house <b>or third party</b> training programme; and/or completion of any other programme of study approved by the Authority."</p> <p>Appropriate qualifications must include relevant work and industry experience. We believe a minimum of 5 years meets such requirements. Certain local employees may have a history of successfully working in the industry but may not have a university degree or professional qualification. Relevant industry experience should be considered.</p>	<p>Third party training programmes will be covered and considered within the following part of the definition:</p> <p><i>"any other programme of study approved by the Authority."</i></p>	
9.		Should this wording be consistent with the defined term in (b)	Referenced term is "approved training programme" and provides an interpretation for one component of appropriate qualifications.	<p>The following amendment was effected to align the definition of <i>approved training programme</i> with the amendment to the definition of <i>appropriate qualifications</i>:</p> <p><i>"Approved Training Programme is a comprehensive <b>training programme of study</b>..."</i></p>
10.	<p><b>5.1(b)</b> (<i>now 5.1.2</i>)</p> <p>(b) <b>"Approved Training Programme"</b> is a comprehensive programme of study, completion of which the Authority deems as the minimum standard for qualification of relevant persons. An approved training programme may take the form of in-house training offered by the relevant insurance company/broker/agency licensee,</p>	Insert after licensee "or any other programme of study"	<p>The comments are noted however, the current definition provides for any comprehensive training programme being considered by a licensee to be submitted for approval as an appropriate qualification.</p> <p>All training programmes used as the basis for establishing that a relevant person possesses appropriate qualifications needs</p>	No amendments required.

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	acceptable to and approved by Authority, on the basis that the curriculum meets the minimum requirements set.		to be pre-approved by the Authority.	
11.		<p>We recommend that an approved training programme may take the form of in house <b>or third party</b> training offered by the relevant insurance company...</p> <p>A company may elect to hire a third party to provide staff training and these programmes should be considered for approval by the Authority.</p>	The current definition provides for any comprehensive training programme being considered by a licensee to be submitted for approval as an appropriate qualification (approved training programme). For the avoidance of doubt, any such programme may be delivered by a third party.	No amendments required.
12.		<p>Does all in-house training programme need to be approved by CIMA prior to staff undertaken them and does this include in-house training for all lines of business?</p> <p>In a number of instances, there is no clearly delineated in-house training program that could be submitted for approval. This is most appropriate to life insurance, which the majority of financial advice occurs. The requirement for approval should be limited to life sales persons.</p>	<p>All training programmes used as the basis for establishing that a relevant person possesses appropriate qualifications needs to be pre-approved by the Authority.</p> <p>The definition of appropriate qualifications provides for other qualifications which may allow for relevant persons to be considered appropriately qualified.</p>	No amendments required.
13.	<p><b>5.1(d)</b> (now 5.1.4)</p> <p>(d) "<b>Relevant Persons</b>" refers to sales employees and customer handling employees of insurance companies carrying on domestic business; individual insurance agent licensees; and sales employees (including representatives) and customer handling employees of insurance</p>	It is our view that the words "customer handling employees" are vague and overly broad. Instead we recommend that the definition be changed to "sales employees and employees providing product advice or recommendations to clients"	The comment is noted and the definition updated to reduce ambiguity.	<p>The definition of relevant persons was amended as follows:</p> <p>" <b>Relevant Persons</b> refers to, sales employees and employees <b>providing advice and/or product and service recommendations,</b> of insurance companies carrying on domestic business;</p>

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	broker and insurance agency licensees.			<i>individual insurance agent licensees; and sales employees (including representatives) and employees providing advice and/or product and service recommendations of insurance broker and insurance agency licensees."</i>
14.	<b>6.3</b> Licensees must ensure that their staff will provide/ are able to provide a sufficient range of skills and experience to carry out its affairs in a sound and prudent manner evidenced by the attainment of appropriate qualifications by relevant persons and by having sufficient relevant experience for the functions they are charged with performing.	Fo[u]rth line "relevant persons <b>and</b> " change and to <b>or</b> -- -unless it is intended that people who currently work in these roles have extensive experience, but not appropriate formal qualifications will have to retain.	The Authority expects that all relevant persons possess appropriate qualifications and relevant experience relative to their role, duties and functions.	No amendments required.
15.	<b>6.4</b> The relevant person must possess experience commensurate with the nature and scale of business of the licensed insurance company, agency or broker and the level of responsibilities to be carried out. In assessing the appropriateness of the relevant person's industry and management experience, the Authority will consider the role and functions to be undertaken by the person	The captioned draft document made mention to Professional Qualifications and Competence requirements under item 6:4 to which we are in complete agreement. This requirement is quite straight forward, and we intend to follow same in confirming qualification for existing agents.	The comment is noted.	No amendments required.
16.	<b>6.5</b> Relevant persons must satisfy the minimum educational and/or professional requirements as specified by the Authority. The	Same commentary as 5.1 (a) and (b) <ul style="list-style-type: none"> <li>• Should this wording be consistent with the defined term in (b)</li> <li>• Insert after licensee "or any other programme of study"</li> </ul>	The wording has been amended for consistency.	The first line of 6.5 now reads: "Relevant persons must satisfy the minimum qualification requirements as

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	decision on the adequacy of appropriate qualifications for each relevant person is at the sole discretion of the Authority.			specified by the Authority in this Rule."
17.		A minimum set of requirements documented here would be of assistance in ensuring compliance with this Rule.	The Authority has not prescribed specific qualifications to meet the minimum requirements established in this Rule given the wide range of qualifications available.	No amendments required.
18.		Will it be acceptable by the Authority for new staff to actively pursue an entrance level qualification/exam while still being able to carry out their job functions as a new hire? It should be noted that insurance exams may only be available for certain periods throughout the year.	New staff must, at a minimum, have completed a training programme prior to carrying out functions in the case of relevant persons. Reference 6.6 and 6.7.	No amendments required.
19.	<b>6.7</b> A relevant person must demonstrate competence by, at minimum, successfully completing an approved training programme relevant to the type of intermediation proposed to be carried on.	Has CIMA considered the criteria they will apply and resources they will require to assess and approve these programmes?	All training programmes are to be pre-approved by the Authority (reference 6.8). The process for approval is an internal one and will consider the relevance of the material in relation to the functions to be carried on by relevant persons.	No amendments required.
20.	<b>6.8</b> In all cases, the approved training programme must be assessed by the Authority and approval granted in advance of the reliance on the programme for demonstrating competence.	We refer to item 6:8 in connection with the approved training programme for new and existing agents and <b>hereby provide our recommendations for your approval.</b>  The Chartered Insurance Institute (CII) ( <a href="http://www.cii.co.uk">www.cii.co.uk</a> ) is a professional body engaged in insurance and financial planning training through relevant learning and insightful leadership. In 1912, the Federation of Insurance Institutes of Great Britain and Ireland was granted a Royal Charter by the Privy Council of King George V and became the Chartered Insurance Institute. Today Queen Elizabeth II is a patron of the CII, the fourth Head of State to have been bestowed the honor since her Grandfather.  The following is an extract from the CII website verbatim: "We provide professional qualifications from essential	The Authority notes the recommendation of the CII as a minimum education requirement. We advise that the intention is not for the Authority to prescribe a specific qualification at this time and as such the requirement in the Rule will be kept general. Nevertheless, the proposal will be noted for consideration in future reviews of the measure.	No amendments required.

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		<p>core units and advanced studies, and aspiring and established professionals can choose the learning pathway that fits their job role and career aspirations. Our education outreach programme raises the profile of insurance and financial planning as a career and highlights its wider contribution to society. The programme also delivers elements of financial competency to local secondary schools and colleges across the whole of the U.K. This pro bono programme is delivered by trained volunteers who are insurance or financial planning professionals and aims to be the largest programme of its type in the U.K."</p> <p>We have agreed on the examination which provides the designation of "Award in Financial Planning". It covers all the basic principles associated with the Life Insurance Industry and is structured to cater for the new agent and the seasoned agent who desires a complete refresher. The examination is administered in April and October each year and the dual window gives agents ample flexibility to achieve this designation.</p> <p>We recommend the Chartered Insurance Institute (CII) to meet the minimum standard educational requirements.</p>		
21.		At what point is this training programme be required to be submitted for approval and what is the response timeframe for approval from the Authority.	The training programme must be submitted to the Authority in advance of the reliance for purposes of the Rule. The Authority has amended the Rule to require that the request for approval be submitted to the Authority at least sixty (60) days prior to the expected timeframe for reliance on the programme to meet the requirement of the Rule.	6.8 has been updated to include the following statement:  <b><i>"To facilitate the Authority's assessment process, approval of a training programme must be sought at least sixty (60) days prior to the expected timeframe for reliance."</i></b>

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22.	<p><b>6.11 (now 6.12)</b> In some cases, particularly as it relates to senior officers, the Authority will require that the relevant person has attained educational or professional qualifications.</p>	<p>What is this intending to emphasize? The preceding clauses seem to already broadly require this of all relevant persons.</p>	<p>The paragraph aims to highlight that senior officers are required to be adequately qualified and while appropriate qualifications takes into account a range of programmes to establish qualifications, given the functions of some senior officers, educational/appropriate qualifications will be established as the minimum requirement.</p>	<p>The following clarifying statement was added to 6.12:  <b><i>"In these cases, the completion of training programmes only, may not be sufficient as appropriate qualifications, given the role, duties and functions of the relevant persons."</i></b></p>
23.	<p><b>6.13 (now 6.14)</b> The relevant person is expected to have attained any of the following appropriate qualifications:</p> <p>(a) a bachelor degree from a recognised university or tertiary education institution; (b) an insurance qualification approved by the Authority; (c) any other qualification considered by the Authority to be equivalent to or higher than any qualification set out in paragraph (a) and (b) above; or (d) successful completion of an approved training programme.</p>	<p>Same commentary as 5.1 (a) and (b):</p> <ul style="list-style-type: none"> <li>• Should this wording be consistent with the defined term in (b)</li> <li>• Insert after licensee "or any other programme of study"</li> </ul>	<p>The comment is noted. The Authority has updated the wording for consistency purposes.</p>	<p>6.14 now reads:  <b><i>"A relevant person must attain any of the following appropriate qualifications:</i></b></p> <p>a) <b><i>An insurance related academic qualification including a diploma or degree from a recognised university or tertiary education institution;</i></b> b) <b><i>a professional insurance qualification approved by the Authority;</i></b> c) <b><i>any other qualification or programme of study considered by the Authority to be equivalent to or higher than any qualifications set out in (a) and (b) above; or</i></b> d) <b><i>successful completion of a CIMA approved training programme."</i></b></p>
24.	<p><b>6.14 (now 6.16)</b> Once professional qualifications have been achieved, relevant</p>	<p>Move to under heading CPD "continuous" suggest use consistent terminology throughout. The next heading</p>	<p>The comment is noted and agreed with.</p>	<p>The paragraph has been relocated to the sub-section now named "Continued</p>



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	<p>persons must keep their professional knowledge up to date by undertaking continuous professional development. The Authority expects that individuals will undertake professional training, regularly, and at least on an annual basis.</p>	<p>uses "continuing professional development they should all use to "Continuing Professional Development (CPD).</p>	<p>The relocation of the paragraph was completed as recommended.</p>	<p><i>Professional Training and Development</i>" and has been updated to read:</p> <p>"Once professional qualifications have been achieved, relevant persons must keep their professional knowledge up to date by <b>participating in continued professional training and/or development</b>. The Authority expects that individuals will undertake professional training <b>and/or development</b>, regularly, and at least on an annual basis."</p>
25.	<p><b>6.15 (now 6.17)</b> All relevant persons are required to complete, at a minimum, fifteen (15) hours of continuing education every year. As part of the licence renewal process, licensees will be asked to complete a declaration to the Authority to confirm that they have met this requirement.</p>	<p>Is this something that will be offered by the IICE? Does In-House training qualify as CPD? Would training offered by other Caribbean Insurance Associations be acceptable, should in-house training not fully satisfy this requirement? Cayman does not have the framework in place to offer this on a local level. Similarly, CPD isn't applicable for many staff roles. This requirement should be removed, except for professional designations where these are required by the certifying body. 15 hours CPD sounds unnecessary for someone actively working in the industry. It would be useful to know what courses/training qualify for CPD hours in their opinion. Can the Company provide this in-house to its own staff or are they looking for external trainers? If external, the cost could be considerable, financially and also in terms of time.</p>	<p>The IICE was not implemented hence the reason for the updates to the Authority's requirements in this new measure. Relevant persons are expected to have up to date technical and regulatory knowledge. The requirement establishes the Authority's minimum expectations for continuing education which may take various forms including structured in-house training. The Authority does not intend to identify specific programmes for continued professional training and/or development and the decision on this is at the discretion of the licensee.</p>	<p>Paragraph 6.17 has been updated as follows: "All relevant persons must complete, at a minimum, ten (10) hours of continued professional training and/or development annually and a minimum of thirty (30) hours every two years. Licensees must maintain sufficient documentary evidence in support of attendance and completion of continued professional training and/or development by relevant persons."</p>

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			<p>Notwithstanding, licensees should be mindful of ensuring the relevance of continued professional training and/or development in the context of paragraph 6.19.</p> <p>The minimum required hours, while the total is unchanged, has been structured differently to allow for some flexibility in attainment. The decision on the number of hours was based on established practice in other jurisdictions and represents the Authority's minimum expectations.</p>	
26.		<p>"fifteen years"- Is this commensurate with other jurisdictions? Consider rolling basis (3 years) minimum in line with other associations requiring CPD. How will CIMA monitor? ---% age sampling annually, and if so, should this document set out this activity?</p> <p>Suggest moving last sentence of 6.15 to 6.19 CPD hours are usually longer...eg accountants have a minimum of 20 hours per annum with 120 hours expected over 3 years which averages 40 hours per year.</p>	<p>The requirement for continued professional training and development is based on the practice in other jurisdictions, best practice and international standards; and the measure will be updated to reflect a two-year continued professional training and development requirement.</p> <p>The Authority does not intend to identify specific programmes for continued professional training and/or development and the decision on this is at the discretion of the licensee. Notwithstanding, licensees should be mindful of ensuring the relevance of continuing education and training in the context of paragraph 6.19.</p>	

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27.		<p>We refer to items 6.15 – 6.19 of CIMA Rule in connection with Continuing Professional Development (CPD) and believe that although this exercise could be accomplished through the CII, the relevance of appropriate material in continuing professional development could be best achieved through qualified regional associations.</p> <p>The Caribbean Association of Insurance and Financial Advisors (CARAIFA) (www.caraifa.com) is the paramount provider of professional education for life insurance and financial advisors in the Caribbean. They offer comprehensive programmes for the professional development of members enabling them to meet the educational standards prescribed by the companies and associations while rendering high quality service to the public.</p> <p>The following programmes are currently being offered by CARAIFA: - The Financial Services Certified Professional (FSCP) – a designated programme - The Chartered Life Underwriter (CLU) – a designated programme - The Chartered Financial Consultant (CHFC) – a designated programme The member territories in the Caribbean are Antigua &amp; Barbuda, Belize, Cayman Islands, Dominica, Grenada, Jamaica, St. Lucia, St. Vincent &amp; Grenadines, Trinidad &amp; Tobago and the associate member territories of Guyana, St. Kitts and St. Maarten.</p> <p>The Trinidad &amp; Tobago Association of Insurance and Financial Advisors (TTAIFA) a member of CARAIFA is best placed to offer appropriate CPD to agents in the Cayman Islands. TTAIFA is accredited to the Accredited Council of Trinidad &amp; Tobago (ACTT) and have been a registered institution with ACTT for the past 12 years (revised 3 years renewals since 2009) and is presently in the final stage of the next 3 years evaluation. This process was stalled due to the Covid 19 restrictions. Link for info on TTAIFA –</p>	<p>The Authority notes the recommendation of the CII as a minimum education requirement. We advise that the intention is not for the Authority to prescribe a specific qualification at this time and as such the requirement in the Rule will be kept general. Nevertheless, the proposal will be noted for consideration in future reviews of the measure.</p>	<p>No amendments required.</p>

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		<p><a href="https://www.actt.org.tt/services/registration/registered-institutions">https://www.actt.org.tt/services/registration/registered-institutions</a></p> <p>The regulatory body in Trinidad &amp; Tobago – Central Bank of Trinidad &amp; Tobago and the Government of Trinidad &amp; Tobago recently passed an amendment to the Insurance Act and it is waiting to be prorogued and made into law. It basically means that all agents in Trinidad &amp; Tobago must now show that they've done some type of professional development annually in order to have their insurance licence renewed.</p> <p>A scenario that is similar to ours in Cayman. The final decision rests on determining the number of points (as they call it) to be assigned to the CPD but the educational material is settled.</p> <p>The educational material would be structured via workshops, each with duration of 3 hours. This would mean the completion of 5 workshops annually to satisfy item 6.15 in your Rule document. These workshops would have material adjusted over time to coincide with developments within the industry which would satisfy item 6:17 in your Rule document. Item 6:19 of your Rule document would also be satisfied as each participant would receive a completion certificate from TTAIFA outlining items a-e as mandated in your Rule document.</p>		
28.	<p><b>6.16 (now 6.19)</b> The Authority does not preapprove or recommend continuing education programmes/courses. Nevertheless, the Authority, at its own discretion, will assess and determine the relevance of CPD pursued.</p>	<p>Is it possible to get a list of examples which in the Authority's opinion qualify as CPD or can we rely on the descriptions of such continuing education which are approved by a qualifying body such as the CII for more certainty?</p> <p>Is the CPD requirement expected to be entirely based on technical insurance knowledge or is a proportion dedicated to soft skills training acceptable, e.g. customer service, time management, etc</p>	<p>The Authority notes the recommendation of the CII and advise that the intention is not for the Authority to prescribe a specific qualification at this time and as such the requirement in the Rule will be kept general.</p> <p>Relevant persons are expected to have up to date technical and regulatory knowledge. The</p>	<p>The term <i>CPD</i> has been replaced throughout the measure with <i>continued professional training and development</i> to provide additional clarity as it relates to the Authority's requirements.</p>

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		<p>Most professional bodies incorporate a program of CPD hours required during one-year periods - these must be submitted in order to maintain your qualifications</p> <p>We think the CPD can be conducted "in house" but what is acceptable is far from clear. We don't think this is applicable to persons other than those with a designation from a professional body that mandates CPD. We could ask or suggest this be changed to "ongoing training will be conducted as appropriate to the role of the person and industry/regulatory developments". 15 hours per year every year isn't realistic for many of the people this will impact.</p>	<p>requirement establishes the Authority's minimum expectations for continuing education which may take various forms including structured in-house training.</p>	