

**Continuing Professional Development (CPD) Programme  
For  
Life Insurance Agency Force  
(Revised September 2004)**

## Guidelines on Continuing Professional Development

### 1. Preamble

The dynamic and fast changing environment in the financial services industry in general, and the insurance industry in particular, are the impetus behind the growing demand for a professional and ethical life insurance agency force. The spirit of this is also reflected in recommendations No. 4.19 and No. 4.20 in the Financial Sector Master Plan (FSMP).

Towards that end, it is imperative that the Guidelines on Continuing Professional Development (CPD) for life insurance agency force be implemented with effect from 1 January 2004. All agents and agency leaders (supervisors, career agents and managers) must comply with the minimum training hours and related requirements stipulated in the Guidelines. Agents are strongly encouraged to better educate themselves and pursue higher and more advanced training programmes according to their own training and development needs.

### 2. Objectives

The objective of the Continuing Professional Development (CPD) is to raise the standard of competency and professionalism of the life insurance agency force. The CPD Guidelines will serve as a guide on the type of training programmes that the agency force should pursue to improve their skills and knowledge in providing good service and advice to their customers.

### 3. Minimum training requirements and CPD hours

With effect from 1 January 2004, all life insurance agents and agency leaders are required to comply with the following:-

- Newly contracted agents/agency leaders are required to complete the 20-hour training within the first 6 months of appointment.
- All the Year-2\*\* and above agents/agency leaders are required to comply with the minimum CPD training hours as follows:-

CPD Training Hours		
Agency Level	2004	2005 Onwards
Agents	<ul style="list-style-type: none"> <li>a. 20 CPD hours.</li> <li>b. including 30 training hours for BAMC (to be credited once).</li> </ul>	<ul style="list-style-type: none"> <li>a. 30 CPD hours every year.</li> <li>b. including 30 training hours for BAMC (used once).</li> <li>c. RFP Module 1 and Module 2. A grace period of 2 years is given to complete at least one module.</li> </ul>
Supervisors/ Career Agents	<ul style="list-style-type: none"> <li>a. 20 CPD hours</li> <li>b. including the current 20 hours every three-year ruling.</li> <li>c. including 30 training hours for Agency Management Course (to be credited once).</li> </ul>	<ul style="list-style-type: none"> <li>a. 30 CPD hours every year.</li> <li>b. including of the current 20 hours every three-year ruling.</li> <li>c. including 30 training hours for Agency Management Course.</li> <li>d. RFP Module 1 and Module 2. A grace period of 2 years is given to complete at least one module.</li> </ul>
Agency Managers	<ul style="list-style-type: none"> <li>a. 20 CPD hours</li> </ul>	<ul style="list-style-type: none"> <li>a. 30 CPD hours every year.</li> <li>b. RFP Module 1 and Module 2. A grace period of 2 years is given to complete at least one module.</li> </ul>

\* New agents/agency leaders are defined as those who have been appointed by the present life insurance company during the current year i.e. 2004 regardless of the years of service in which the agent/agency leader has been with another life insurance company.

\*\*Year-0 (Fractional Year) agents/agency leaders are those contracted in the current year i.e. 2004

Year-1 agents/agency leaders are those contracted the year before current year i.e. 2003

Year-2 agents/agency leaders are those contracted 2 years before the current year i.e. 2002

#### 4. Monitoring of CPD hours

- Monitoring of CPD hours would be based on calendar year for all agents/agency leaders, irrespective of the date of contract in a particular year. The following example illustrates the date of commencement of the CPD requirement for agents/agency leaders contracted at different dates, as follows:
  - Agents join on 1/1/2004. CPD commencement date would be 1/1/2006.
  - Agents join on 1/6/2004. CPD commencement date would be 1/1/2006.
  - Agents join on 30/12/2004. CPD commencement date would be 1/1/2006.
- There will be no carry forward of CPD hours to the following year, with the exception of RFP Modules as per item 8.6 "Crediting of CPD Hours from RFP Modules". Therefore, on the 1<sup>st</sup> of January of every year, the counting of CPD hours will begin at zero base.

#### 5. Structure of CDP training programmes

Individual companies shall identify the training initiatives according to their own unique business focus and marketing strategy. The training initiatives must be skills and knowledge based programme. Pure motivational programme are not encouraged.

The rules and regulations governing the credit hours and accreditation are categorized into two :-

- Structured  
Attendance of training programmes as per the syllabus and scope outlined for each agency level
  - i) Agents
  - ii) Supervisors/Unit Manager
  - iii) Agency Managers

The syllabus and scope of the training programmes for each agency level are detailed in this proposal.

- Unstructured  
By attending other programmes (not listed in the scope outlined and by following the proposed methods :-

- i) Attending conventions and programmes recognized and approved by individual companies
- ii) Attending classes and courses recognized and approved by individual companies
- iii) Going through self-study/self-learning programmes recognized and approved by individual companies
- iv) Teaching in courses and programmes recognized and approved by individual companies.
- v) Speaking in conventions/seminars recognized and approved by individual companies.

#### 6. CPD Training Hours - Syllabus and Scope

The Syllabus and Scope would be applicable to all agency level as follows :-

- 1) Agents
- 2) Supervisors / Career Agents
- 3) Agency Managers

Agency force may earn CPD training hours by attending training programs categorized in the following areas. However, for Agency Supervisors and Agency Managers the scope to be covered would be wider and more comprehensive.

Areas	Topics
Sales and Marketing	<p>A. Selling Skills (Basic &amp; Advanced)</p> <ul style="list-style-type: none"> <li>I) Sales Cycle</li> <li>II) Use of Sales Tools, e.g. Software presentation tools</li> </ul> <p>B. Marketing Systems</p> <ul style="list-style-type: none"> <li>I) Sales/Marketing Management</li> <li>II) Customer Relationship Management (CRM)</li> </ul> <p>C. Financial Product Training</p> <ul style="list-style-type: none"> <li>I) Personal Insurance</li> <li>II) Business Insurance</li> <li>III) Investment Product</li> </ul>

	<p>D. Integrated &amp; Comprehensive Financial Planning</p> <ul style="list-style-type: none"> <li>I) Insurance Planning</li> <li>II) Investment Planning</li> <li>III) Estate Planning</li> <li>IV) Financial Plan Construction</li> <li>V) Financial Plan Application</li> </ul>
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<p>Legal &amp; Technical Aspects of Life Insurance and Financial Advice</p>	<p>A. Legal Aspects</p> <ul style="list-style-type: none"> <li>I) Life Insurance Contract             <ul style="list-style-type: none"> <li>a) Ethics &amp; Practice Standards</li> <li>b) Compliance Requirements</li> </ul> </li> <li>II) Associated Legal Aspects             <ul style="list-style-type: none"> <li>a) Law of Agency</li> <li>b) Insurance Law</li> </ul> </li> <li>III) Wills and Trusts</li> <li>IV) Laws affecting sales and services of life insurance and other Financial Products</li> </ul> <p>B. Technical Aspects</p> <ul style="list-style-type: none"> <li>I) Tax Planning             <ul style="list-style-type: none"> <li>a) Yearly Budget Update</li> </ul> </li> <li>II) Home office and field underwriting             <ul style="list-style-type: none"> <li>a) Risk Management</li> <li>b) Investment &amp; Fund Management</li> <li>c) Policy servicing administration</li> <li>d) Quality business and Persistency</li> <li>e) Policy Claims</li> </ul> </li> </ul>
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Personal Effectiveness Development Programme	A. Time Management B. Personal Finance Management I) Personal Wealth Accumulation II) Personal Wealth Protection III) Personal Wealth Creation IV) Personal Wealth Distribution C. Communication Skills I) Effective Listening Skills II) Inter-personal Communication III) Public Speaking Skills D. Personal Grooming and Etiquette E. Personal Motivation I) Positive Mental Attitude II) Goal Setting & Planning III) Self-Awareness
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Agency Management and Development Programme	A. Business Management & Entrepreneurial Development B. Agency Goal Setting & Planning C. Budget Management D. Recruitment and Selection E. Training and Coaching F. Supervision and Motivation G. Leadership and Team Building
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## 7. Seminars / Congresses and Conferences

Insurance company shall maintain the true spirit of CPD by ensuring its agency force strike a proper balance between classroom training / e-learning and seminars/congresses/conferences attendance. CPD hours

earned through attending Seminars/Congress and Conferences should not exceed 25% of CPD hours for a particular year.

## 8. Mandatory Training Programme

### 8.1 Registered Financial Planner

- With effect from 1 January 2005, Module 1 (M1) and Module 2 (M2) of the RFP programme shall be made compulsory as one of the training courses for compliance of the CPD training hours.
- An agent/agency manager shall be required to fulfill M1 and M2 only once in his entire career in life insurance selling. For instance, if the agent /agency manager has fulfilled M1 and M2 for CPD in the previous life insurance company and he subsequently joins a new life insurance company, he will not be required to attend M1 and M2 again for CPD compliance. However, he should fulfill the 15 CPD hours each (given to M1 and M2) through other courses.

### 8.2 Timeline for Compliance

- Agents are given a maximum two-year time frame to complete each Module, as follows :-

Complete one Module - From 1 January 2005 to 31 December 2006;

Complete another Module - From 1 January 2007 to 31 December 2008.

- An agent is allowed to complete either Module 1 or Module 2 within the above time frame. This means that it is not necessary for the agent to complete Module 1 first before taking Module 2.

If an agent has completed both Module 1 and Module 2 within the same year, he /she is allowed to carry forward the remaining 15 CPD hours (for the second module) to the following year.



### 8.3 Earning of CPD hours for M1 and M2

The 15 CPD hours for each Module could be attained through :-

- a) Passing the examinations of the respective modules conducted by the Malaysian Insurance Institute (MII), or
- b) Attending at least 75% of the RFP classes for Module 1 and Module 2 respectively conducted by Malaysian Financial Planning Council (MFPC) education providers (MII, NAMLIFA and others), or
- c) Attending at least 75% of the RFP classes for Module 1 and Module 2 respectively conducted by insurance companies' in-house training programme. Lecturers for in-house training must be certified by the Malaysian Financial Planning Council (MFPC).

### 8.4 Course Fee

- If any LIAM member company intends to conduct its own training programme for its agents for the purpose of CPD compliance, it has to pay a fee of RM50.00 per agent per Module (or RM100 per agent for Modules 1 and 2) to the MFPC.
- The fee of RM50.00 excludes the cost of printing (estimated at RM30.00 per copy). The printing of materials could be handled by the insurance company itself or through the MII.
- Insurance companies should charge a minimum fee of RM80.00 per agent per Module for the in-house training programme.

### 8.5 In-House RFP M1 and M2

Any insurance company which conducts the in-house RFP M1 and M2 in pursuance to the CPD requirement should meet the following requirements:-

- All in-house trainers (including salaried employees of the insurance company) must be certified by the MFPC before he/she is allowed to conduct the training for Modules 1 and 2).
- The number of actual training hours to be completed for each Module shall be 42 hours. An agent who fulfills at least 75% attendance of the 42 hours shall be granted 15 CPD hours for each module.

If an agent decides to sit for the examination after attending his/her company's training programme, he/she must enroll with the MII and MFPC and pay the examination fee, currently fixed at RM400.

### 8.6 Crediting of CPD hours from RFP Modules

- An agent who has taken RFP Module 1 and/or Module 2 before 1 January 2005 is able to carry forward 15 CPD hours each to 2005 and 2006 respectively (if Module 2 has been completed). Earning of the 15 CPD hours per Module could be obtained through examination or 75% attendance in a class programme (public or in-house).
- The earning of the 15 CPD hours by way of 75% attendance of a class programme is only granted for Module 1 and Module 2. For Modules 3, 4, 5, 6 and 7, the 15 CPD hours would be granted upon passing the examinations. The 15 CPD hours for each Module (Modules 3-7) have to be utilized in the current year in which the CPD hours are earned. No carry forward of CPD hours are permitted.

## 8.7 Conversion from ChFP and ChFC

Any agent who has been conferred the RFP designation by way of conversion or exemption from the ChFP and ChFC qualification shall be awarded with 30 CPD hours (equivalent to the credit hours given for Module 1 and Module 2 under the RFP course). The agent can utilize 15 CPD hours for each year, which is 2005 and 2006. No further CPD hours for subsequent modules would be given for this category of RFP designees.

## 9. List of Course Providers

- Agency members may earn CPD training hours by attending the Programmes/ Seminars / Congresses and Conferences by any of the providers shown below.

Registered Financial Planner (RFP) course by the Malaysian Financial Planning Council (MFPC).

Courses conducted by approved Industry Education providers (MII, CII, AII, LOMA, LIMRA and other insurance related bodies).

1. Million Dollar Round Table (MDRT) Convention
2. NAMLIFA Annual Convention
3. Financial Planners Annual Conventions
4. Company Convention and Congress
5. In-house training on new products launched by insurers
6. Financial and Life Practitioners Course (FLPC) Mastery Programme
8. Asia Pacific Financial Service Association (APLIC)
9. Technical Courses provided by relevant institutions e.g. by Inland Revenue Board, Actuarial Society, MIA, ACCA, ICMA, MICPA etc.

## 10. Credit Hours and Accreditation:

The following rules and regulations governing credit hours accreditation would apply.

Actual Hours (Learning/Lecture/Training Hours) on approved programmes	CPD Credit Hours
Full day , 8 or more actual hours per day	Eight (8) CPD credit hours
Half-day , 4 actual hours	Three (3) CPD credit hours
Evening classes, i.e. after 6 p.m.	One (1) CPD credit hour for every actual hour (maximum of 4 credit hours allowed)
E-learning / Multimedia / Approved Self-Learning programme	Number of CPD Credit hours awarded to be the same as that awarded to companies recognized classroom learning programme
Lectures, training and speaking	One (1) CPD credit hour for every actual hour of lecture/training or speaking hour (Maximum of eight (8) CPD credit hours allowed per day)

- Credit point for CPD could be earned only once for the same programme i.e. every individual can earn credit from the same programme only once per agency contract.
- Credit points awarded through each insurer are not transferable. Same concept as the current 20-hour training would apply.

## 11. Compliance

- Compliance of CPD would be enforced by the respective insurance companies. The CPD requirement is part of the requirements for maintenance of contract under the Guidelines on Minimum Qualitative Criteria for Life Agency Force and should be met on a yearly basis.
- Every life insurance company is required to keep a proper record of the CPD hours and types of training courses attached by each of its agents/agency leaders.
- The number of CPD hours earned would be reported to LIAM every 6 months (or any other period as may be defined from time to time) in a standard format to be prescribed by LIAM.
- The Agency Agreement of any agent who fails to meet the yearly CPD hours or mandatory training programmes specified under this set of Guidelines would be terminated. An insurance company may exercise some flexibility in terms of extending the period for compliance of remaining CPD hours/mandatory training programmes on a case to case basis. Any decision made by the insurance company should be supported by valid reasons and this should be reported to Bank Negara Malaysia, where necessary.