Training and Competency - Competent Employee Rule

[Name of Firm] must employ personnel with the skills, knowledge and expertise necessary to discharge the responsibilities allocated to them. (SYSC 3.1.6)

[Name of Firm] is fully committed to developing its staff in order that they may:

* Improve their skills in all areas of the work they undertake.
* Excel in the service provided to clients.
* Reduce complaints in order to achieve a minimum exposure to Professional Indemnity claims.
* Contribute to the achievement of the Company’s Business Plan.
* Meet the requirements of the FCA’s Principles for Business and the Conduct Rules.

[Name of Director] is responsible for Training and Competency within [Name of Firm] and any questions or areas of concern should, in the first instance be raised with him. [Name of Director] will approve, implement and regularly review the firm’s internal policies and procedures in respect of the firm’s obligations relating to the minimum knowledge and competence requirements in relation to insurance distribution activities undertaken by the firm.

Everyone employed by [Name of Firm] will be given equal opportunity to develop their full potential within the company. Time will be allowed for training during working hours.

The individual training plans will be developed from the annual appraisals undertaken with each member of staff and in conjunction with their documented roles and responsibilities.

A separate training budget will be agreed each year to finance the development of staff.

In respect of **relevant employees**, the firm will promote continuing professional development (CPD) and construct individual training plans using the system of CPD hours to ensure that each relevant employee continues to develop through their career. The minimum number of CPD hours per annum is 15 for relevant employees increasing to 35 for staff holding a chartered insurance institute qualification.

A relevant employee is an employee or other person directly involved in the firm’s insurance distribution activities or within the management structure responsible for the firm’s insurance distribution activities or responsible for the supervision of a relevant employee.

Alongside the requirement for relevant employees to undertake 15 CPD hours of training per annum [Name of Firm] must be able to demonstrate compliance with the following professional knowledge and competence requirements: -

1. For general insurance contracts: minimum necessary knowledge of terms and conditions of policies offered including ancillary risks covered by such policies.
2. Minimum necessary knowledge of applicable laws governing the distribution of insurance products, such as consumer protection law, tax law and relevant social and labour law
3. minimum necessary knowledge of claims handling.
4. minimum necessary knowledge of complaints handling.
5. minimum necessary knowledge of assessing customer needs.
6. minimum necessary knowledge of the insurance market.
7. minimum necessary knowledge of business ethics standards; and
8. minimum necessary financial competence.

Where staff are on the Certification Regime they will be certified as competent to fulfil their role at regular intervals not exceeding 12 months.

[Name of Firm] encourage staff to progress with the qualifications of the Chartered Insurance Institute which will include the following standards:

* Level I – The Award
* Level II – The Certificate (Cert CII)
* Level III – The Diploma (Dip CII)
* Level IV – The Advanced Diploma (ACII)
* Level V – Fellowship of the Chartered Insurance Institute. (FCII)

[Name of Firm] will fund the cost of membership of the Chartered Insurance Institute, study books and associated correspondence courses. The firm will also fund the cost of entrance to the exams, however, should an employee fail to pass the exam on the first or second sitting then the employee will be expected to pay for entry to the third and subsequent examinations themselves. Should an employee not attend an examination without an adequate reason, funding may be withdrawn at the manager’s discretion.

A personal development folder will be set up for each member of staff. Managers and staff will share responsibility for keeping the folder up to date. Records will be checked by the directors on a regular basis and at the employee’s annual appraisal.

Management Information on Training and Development will be reviewed at regular intervals by the board / senior management team.

[Name of Firm] through its systems and controls, is able to satisfy itself of the suitability of anyone acting for it. Suitability includes assessing an individual’s honesty and competence at the point of recruitment and if deemed necessary at a later date. Any assessment takes account of the level of responsibility that the individual will assume within the firm.

Record Keeping Requirement

[Name of Firm] must establish, maintain and keep appropriate records to demonstrate compliance with the FCA’s competent employee rule. [Name of Director] is responsible for the record keeping requirements within this firm which includes but is not limited to the following: -

* Making an up-to-date record of the CPD training or development completed by each relevant employee in each 12 month period
* Retaining the CPD record for not less than three years after the relevant employee stops carrying on the activity
* Recruitment records
* Competence Assessments,
* Evidence of qualifications
* File audits

Signing off as competent

When an employee starts with [Name of Firm] or changes their role internally, their work will be supervised and 100% of their files will be audited. On the job training alongside any insurer led courses and online courses will go towards ensuring that the employee fully understands the area of insurance the firm is asking them to advise on. Once assessed as competent the employee’s personal development folder will be signed off and the level of supervision reduced gradually.

Competence and training needs will be reviewed regularly, taking into consideration changes in the market place and products, regulation and legislation. The firm will also take into consideration the skills expertise, technical knowledge and behaviour or employees when making an assessment.