

Professionalism and competency in the insurance broking industry

Report on an inquiry by the Insurance Brokers Code Compliance
Committee

August 2018

The Code

The 2014 Insurance Brokers Code of Practice (the Code) sets standards of good industry practice for the 303 insurance brokers that have agreed to follow its standards when dealing with current and prospective clients. The Code is owned and published by the National Insurance Brokers Association (NIBA) and forms an important part of the broader national consumer protection framework and financial services regulatory system.

The Code contains 12 key service standards that apply to all insurance broking services delivered to clients by Code Subscribers across Australia.

By subscribing to the Code, insurance brokers have committed to continuously improving their standards of practice and service in their sector; promoting informed decision-making about their services; and acting fairly, ethically and reasonably in delivering those services.

The Committee

The Insurance Brokers Code Compliance Committee (the Committee) is an independent compliance monitoring body established under the Code and the Code Compliance Committee Charter (the Charter). The Committee comprises an independent chair, a person representing the interests of the insurance broking sector and a person representing the interests of consumers (including micro businesses). The Code and Charter entrusts the Committee with a number of functions and responsibilities, including to:

- conduct Own Motion Inquiries into compliance with aspects of the Code
- provide advice to NIBA on training and other activities necessary to assist Subscribers to meet their Code requirements.

Definitions

In this report:

- 'the Code' means the 2014 Code unless otherwise stated
- 'Code Subscribers' means insurance brokers that subscribe to the Code, and
- 'Consumers' or 'clients' includes individuals or micro businesses that are current and prospective customers of Code Subscribers.

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1. Executive summary

The Insurance Brokers Code Compliance Committee (the Committee) identified the need for an in-depth inquiry into how insurance brokers understand professionalism in the context of their Code and apply this within their businesses. Data for the inquiry was gathered via an online questionnaire completed by all Code Subscribers.

1.1 Defining professionalism in the context of competency

This report looks specifically at competency and education qualifications as a means of analysing professionalism in the insurance broking industry because those are specific commitments in the current Code.

While only a minority of organisations have explicitly articulated a general definition of competency, almost all appear to have an implicit understanding of competency. Competency can be defined narrowly – related to knowledge and skills only – or understood as a broader concept that also encompassed qualifications, experience, abilities, behaviours, attributes and attitudes needed to meet client expectations. Indeed, many organisations consider a staff member's attitudes and behaviour to be as important as their knowledge and skills. An organisation's explicit or implicit understanding of competency underpins how it assesses, monitors and develops the competency of its staff.

Code Subscribers monitor staff competency in a range of ways. Most organisations conduct regular file audits, and many also rely on claims outcome data as an indicator of whether staff place and explain policies appropriately. Positively, around four in five organisations proactively seek feedback from clients, considering data from complaints and testimonials as well as feedback from online surveys as well as conducting face to face client feedback meetings.

1.2 Educational qualifications

Formal educational qualifications are also an essential element of professionalism. Code Subscribers' client-facing, management and support staff have distinct qualification profiles. While there is much diversity, in general, support staff tend to be least qualified while client-facing staff often have mid-level qualifications and management staff are most likely to hold higher education qualifications.

Insurance brokers must meet Australian Securities and Investments Commission (ASIC) minimum training standards for financial product advisers, set out in *Regulatory Guide 146* (RG146). Code Subscribers' client-facing and management staff typically comprise a mix of individuals who meet Tier 2 and the higher Tier 1 training standards. Some organisations have some client-facing or management staff with neither Tier 2 nor Tier 1 compliance. On the other hand, some Code Subscribers set expectations for staff training and qualifications that exceed the ASIC minimum requirements, which the Committee applauds.

1.3 Competency-based training

Competency is the backbone of service standards, and to develop it, staff need on-the-job support and experience – not just formal education. Almost all Code Subscribers identified competency-based training as essential or a high priority within their businesses.

Competency-based training is also valued by staff themselves, who find that it increases job satisfaction and contributes to their individual career development.

Most organisations provide an array of competency-based training activities. Client-facing staff tend to benefit from the broadest range of activities, including on-the-job technical and product training, self-guided study, online or computer-based events and training, various peer learning opportunities, and attendance at seminars and conferences. As required by Service Standard 8 of the Code, organisations keep records of the training undertaken by staff and indirectly assess its effectiveness by monitoring staff performance.

Organisations also commit to ensuring that staff who deliver services to clients are trained in the Code as part of Service Standard 8. Nearly four in five Code Subscribers require **all** staff to undertake Code training, regardless of role – an approach that is most common in small and micro organisations. Although the Code only requires such training for client-facing staff, the Committee’s view is that all staff can benefit from an understanding of the Code and its obligations.

1.4 Continuing good practice

Although professionalism of the broader financial services industry has been called into question in recent times, the vast majority of Code Subscribers have indicated that they take competency and professionalism seriously. Insurance broking organisations demonstrate this commitment in the way that they assess, monitor and support competency among staff.

To maintain and further develop this competency and professionalism – as well as the client and community trust it engenders – all Code Subscribers should embrace the good practices identified in this inquiry. Code Subscribers should:

- incorporate the Code into the overall company structure and strategy as a representation of the organisation’s commitment to the highest standards of conduct and service and doing more than the required minimum
- develop and communicate a common organisational understanding of competency focused on meeting client expectations
- assess and monitor staff performance based on skills, knowledge, attitude and behaviour, encouraging and developing leadership, regardless of the type of client the staff member serves
- keep good records of training undertaken and monitor staff performance through client feedback, file audits and claims outcomes
- treat competency-based training as equally important as educational qualifications, and strive to exceed ASIC minimum training standards
- embed a robust training and educational framework encompassing all staff, including client-facing and support staff. Train all staff in the Code obligations.

2. Introduction

The National Insurance Brokers Association (NIBA) and many brokers have recognised the need for competency and professionalism in the industry for a long time. There has been much discussion; many initiatives have been taken as an industry and individually.

Recent public scrutiny of the financial services sector has brought the theme of professionalism into sharp focus.

Whilst insurance brokers have largely avoided criticism, it is timely to examine standards of professionalism in the insurance broking industry through the lens of two specific commitments in the current Code: competency and education.

To this end, the Insurance Brokers Code Compliance Committee (the Committee) conducted an inquiry into how insurance brokers understand competency and education qualifications as a means of achieving professionalism and how they apply this within their business.

2.1 What is professionalism?

Within the insurance broking industry, professionalism is generally understood as a broad concept that encompasses:

- **education**—having a sound educational qualification
- **training and development**—having a commitment to and participating in continuing professional development
- **client focus**—treating clients honestly and fairly and acting in their best interests
- **continual improvement**—striving to exceed minimum legal and regulatory standards; implementing and observing the Code, and often embracing standards beyond the Code
- **ethics**—adopting and applying high standards of ethics and integrity.¹

Professionalism is closely linked with competency, and the terms are sometimes used interchangeably.

The vital importance of professionalism and competency has recently been highlighted by the close government and regulatory scrutiny of the financial services sector. The current Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, for example, has prompted extensive media and industry commentary about all aspects of professionalism, including the education required of financial services professionals; their ethics and integrity; and the extent to which they act in the interests of

¹ Booth, Dallas 'Trust, confidence and professionalism', *Insurance Advisor*, October 2017.

clients.² In this environment, enhancing professionalism has been identified as crucial to tackling the ‘trust deficit’ in the financial services industry.³

2.2 Professionalism and competency in the Insurance Brokers Code of Practice

Having in place a framework that both promotes and monitors professionalism and competence – and the consumer confidence that flows from it – is the Code’s fundamental purpose. The Code is a clear statement by insurance brokers of the industry’s commitment to clients and what clients can expect from an organisation that subscribes to the Code.

The vast majority of organisations see the Code as an essential or very important contributor to competency in the insurance broking industry. By articulating and promoting a standard of conduct and service, organisations say, the Code creates a benchmark and a framework for competency within the industry.

The Code’s standards are higher than the legal minimum, which enables the Code to also contribute to continual service enhancement and improvement – a critical element of professionalism. As well as supporting organisations to develop and maintain competency, organisations report that the Code signals this competency to clients, helping to build community confidence and trust in the industry.

2.2.1 The Code requirements

The Code recognises competency as a cornerstone of good insurance broking practice. Service Standard 5 includes competency as one of the principles that underpins insurance brokers’ work:

We will discharge our duties diligently, competently, fairly and with honesty and integrity.

Service Standard 8 explicitly extends this competency requirement to representatives, and makes the link between competency and training:

We will ensure that we and our representatives are competent and adequately trained to provide the relevant services and will maintain this competence.

In its Code Guidance notes, NIBA underscores the importance of the Code’s training requirements, noting that representatives must be properly trained to provide a quality service.⁴ In relation to service to retail clients, the Code’s Service Standard 8 also reinforces insurance brokers’ training obligations under the *Corporations Act 2001* (Cwth), as detailed in ASIC RG146.

² For example, Wootton, Hannah, ‘Majority of FPA members degree-qualified’, *Money Management*, 18 April 2018; Yeates, Clancy, ‘Most big bank planners fail to act in their clients’ interests – ASIC’, *The Age*, 24 January 2018.

³ Kellerman, Bernard ‘Rebuild trust through professionalism, warns ASIC chair’, *Banking Day*, March 2018.

⁴ See <https://www.niba.com.au/codeofpractice/c3-service-standards-4.cfm>

2.3 Examining professionalism and competency in the industry

Industry leaders have recognised that in order to maintain high standards, insurance brokers must continue to focus on professionalism and competency and demonstrate this in all their interactions with clients. Professionalism is one of the three core objectives defining the insurance broking industry, next to representation and community.

Code compliance data indicates that there has been a small but sustained increase in breaches of the Code's training standards, suggesting that there may be room for improvements in this area. In 2014, breaches of Service Standard 8 (Competence) increased to make up 8% of all breaches self-reported by Code Subscribers. Service Standard 8 breaches have remained at 8% in each subsequent year, with 113 Service Standard 8 breaches self-reported in 2016. Code Subscribers reported these breaches where, for example, staff and representatives had not completed – or could not demonstrate that they had completed – the required continuing professional development, or where the organisation had not kept proper records of staff training and qualifications.

Breaches of the training standard were more common in large organisations,⁵ which reported three significant breaches of Service Standard 8 in 2016. These significant breaches occurred when staff or authorised representatives were engaged without having the Tier 1 or Tier 2 qualifications required for their roles under RG 146.

2.3.1 Aims of the Inquiry

Considering these breaches and the current public and regulatory focus on professionalism in financial services, the Committee decided to undertake an inquiry to better understand how insurance brokers conceptualise competency and achieve it within their organisations. In doing this, the Committee aimed to identify some of the good business practices that ensure staff and representatives are competent and professional. By showcasing these good practices, the inquiry's wider purpose is to support the continued development of competency and professionalism within the insurance broking industry and to identify the challenges.

2.3.2 Inquiry approach

To gather data for the inquiry, the Committee sent an online survey (**Appendix 1**) to all Code Subscribers in November 2017. Code Subscribers were asked to respond to a number of multiple choice and open text questions on competency and formal education and training.

The Committee received survey responses from 280 organisations⁶, representing some 15,123 staff in client-facing, management and support roles. Some organisations submitted a response for all organisations within their group. The Committee thanks each organisation that participated in the survey.

Fourteen organisations did not complete the survey by the end of March 2018; their responses have therefore not been included in this report. The Committee analysed Code Subscribers' responses, with attention to best practice in four organisational categories: micro, small, medium and large (**Table 1**).

⁵ More than 100 full-time equivalent staff.

⁶ Some organisations represent more than one Code subscriber.

Table 1: Participating organisations

Size of organisation	Number of organisations	Number of management staff	Number of client-facing staff	Number of support staff
Large (>100 FTE ⁷ staff)	19	1,329	5,671	3,411
Medium (31–100 FTE staff)	40	262	1,214	486
Small (21–30 FTE staff)	29	115	438	217
Micro (\leq 20 FTE staff)	192	435	1,058	487
Total	280	2,141	8,381	4,601

⁷ Full-time equivalent

3. Defining and monitoring competency

Insurance brokers typically understand competency as referring to person's skills, knowledge, behaviours, attitudes, qualifications and training. This understanding underpins organisations' frameworks for assessing and monitoring competency.

3.1 Understandings of competency

Only a minority of insurance broking organisations have explicitly articulated a general definition of 'competency' within their businesses. Those that do have such a definition typically set it out in documents such as broking manuals, career frameworks or organisational policies (for example, a 'Training and Development' or 'Organisational Competency' policy).

Most narrowly, some of these documents define competency as comprising 'knowledge and skills' only. Most insurance brokers' definitions, however, are more expansive, also encompassing such things as abilities, behaviours, attributes, qualifications, attitudes and experience. Competencies are linked to an identified purpose, which again may be narrow or broad. Some insurance brokers referred to the competencies needed to perform a specific task, provide relevant services or perform in a specific job role. More broadly, other organisations referred to the competencies needed to meet client expectations or 'accomplish the mission, vision and goals of the organisation'.

While few organisations have an explicitly articulated definition of competency, almost all appear to have an implicit definition. This understanding of competency underlies each organisation's framework for assessing, monitoring and developing competency. The implicit understanding of competency embedded in these frameworks relates to a person's skills, behaviours, experience, qualifications and training.

3.1.1 Job skills and tasks

Organisations identified a wide range of skills and tasks that an individual must be capable of performing to be considered competent. These include 'hard' skills such as the ability to manage placement, process a claim, prepare a quotation summary, provide advice or manage renewals. Hard skills also include the technical ability to use systems, such as core broking and document management systems; the capacity to follow the organisation's procedures and processes; and self-management skills such as the ability to manage one's time and produce accurate work. Also important are 'soft' skills including as the ability to work collaboratively with others in a team for the benefit of clients.

The core tasks associated with each role are typically identified in position descriptions and explained in internal guides or procedural manuals. Each task may also have a performance or service standard attached to it. Some organisations prefer to use more general performance standards, such as an individual's capacity to perform the task in a timely, accurate and professional way, or without supervision or follow-up. The tasks that staff in

specific roles can and cannot perform may also be set out in organisation-wide frameworks such as a delegation matrix, which may mandate the use of specialist resources in particular product areas.

3.1.2 Knowledge

In-depth knowledge is the foundation of advice and organisations identified knowledge as an integral element of competency. Insurance brokers need detailed knowledge in several areas, including:

- **products** - including knowledge of product specialties such as cyber liability or directors' and officers' liability insurance
- **systems** - technical understanding of systems and processes
- **industries** - particularly important in specialist organisations providing insurance broking services to a single industry sector (e.g. aviation)
- **rules** - knowledge of applicable legislation, regulation, duties and levies, Codes and standards and organisational policies.

Such knowledge is gained through a combination of formal education, training and on-the-job experience.

3.1.3 Attitudes and behaviours

Attitudes and behaviours are considered by many organisations to be equally as important as the knowledge and ability to perform job skills and tasks. Positive behaviours and attitudes – such as client focus, commitment to quality, respect and empathy or working positively in a team – are seen as vital for service quality evidenced by client satisfaction and retention.

Several organisations expressed the view that attitude and behaviours are best addressed at recruitment. These organisations commented that unlike skills and knowledge, attitudes and behaviours either cannot be taught or should not need to be taught. Thus, these organisations focus on recruiting employees with attitudes and behaviours that fit the organisation. The new recruit's probationary period allows another opportunity to assess fit. Similar processes can apply to Authorised Representatives. For example, one Code Subscriber explained that regional managers meet with prospective Authorised Representatives to enunciate the expected behaviours and evaluate whether the candidate will meet these expectations.

With such an emphasis on recruitment, many organisations have processes for assessing and encouraging desired behaviours and attitudes. Most articulate their organisational values and ethos in statements of 'core values', 'vision and mission' or 'guiding principles'. Typically, these values are also translated into specific guidelines for staff behaviour and attitudes set out in a Code of Conduct or a similar document. Organisations then guide staff in the expected attitudes and behaviours with ongoing discussion and feedback. Several organisations highlighted the importance of managers in leading by example, displaying traits such as diligence, transparency and good faith. Developing and maintaining a positive organisational culture appeared to be a particular focus for small and micro organisations.

3.1.4 Client type

Around a quarter of brokers reported that they allocate certain types of client only to more competent staff, as identified with reference to the staff member's experience, skills, qualifications or specialisation in a particular industry sector or insurance product. These organisations often have formal designations for such staff – for example, 'Black Belt' Authorised Representatives or 'industry champions' or specialists who are expert in a given sector.

Clients are frequently segmented not only by size, but also by their complexity, industry, product and/or level of risk. These client categories are often set out in organisational documents such as a Broking Procedure Manual. Alternatively, each new client may be assessed on a case-by-case basis by management and allocated accordingly. A number of organisations apply specific service standards to different client categories. Generally, responsibility for more complex clients lies with senior staff with junior staff also working under supervision on more complex clients as part of their training and development.

A small number of organisations commented that they do not specialise; that all insurance brokers on staff are competent to work with any client; or that all clients should receive the same level of service.

3.2 Monitoring competency

Code Subscribers described a range of ways in which they monitor staff competency (**Table 2**).

Table 2. How do you monitor competency on an ongoing basis?

Monitoring activity	Large	Medium	Small	Micro	Total
File audits	95%	98%	90%	88%	90%
Client feedback	89%	95%	83%	77%	81%
Claims outcomes	68%	73%	79%	69%	71%
Other	58%	20%	24%	17%	21%

3.2.1 Audits

Audits are particularly common, with 90% of organisations reporting that they conduct file audits. These audits often focus on a particular process such as new policy placement, cancellation, general advice or renewal planning and execution. Record-keeping, Code compliance or technical aspects may also be the focus of an audit. Audits are conducted by external auditors and/or internally by management or by quality assurance, compliance or in-house audit teams. Peer review is also very commonly employed. Most organisations appear to combine a periodic in-depth, comprehensive audit – perhaps conducted annually or every second year by an external auditor – with more frequent spot checks or small-scale audits, such as monthly peer review. Audits are regarded by Code Subscribers as part of their risk management regime to minimise the risk of an error or omission within their business.

3.2.2 Client feedback

Almost as frequently, organisations draw on client feedback to monitor competency. Four in five organisations (81%) use client feedback in this way. For these organisations, ad hoc feedback from clients helps to provide feedback on staff competency. This includes complaints, which are recorded and dealt with via organisations' complaint handling processes. There is often a direct link from complaints to what training is planned, including individual (remedial) coaching and wider staff training. Ad hoc positive feedback, reviews and testimonials also inform judgements of staff competency, and many organisations have processes in place to ensure that all such feedback is fed upwards to management.

Many organisations also seek client feedback more proactively, often using feedback forms and/or client surveys. Some organisations have more in-depth processes for seeking client feedback. For example, one large organisation has independent senior executives seek feedback about 12 service attributes and activities in a face-to-face discussion with clients. Around 40 of these 'client health checks' are conducted each year. Results are fed upwards and where necessary, remedial action is taken, including staff feedback and training. One micro organisation has taken a similar approach on a smaller scale, engaging a third party to conduct a 'client feedback night'.

For some organisations, particular events are a trigger for client feedback to be sought. For example, one organisation reported that when a client leaves, a manager contacts them to determine why, and this information informs possible changes to procedures and processes. Another micro institution has a director follow-up with clients after claims to gather feedback on the claims management process.

In addition to feedback from clients, many organisations receive and consider feedback from insurers and industry stakeholders.

3.2.3 Claims outcomes

Close to three-quarters of organisations (71%) draw on claims outcomes data to monitor the competence of staff. Claims outcomes are an important source of information about whether policies were placed appropriately and policy provisions adequately explained to clients. Most organisations reported that they closely inspect denied claims, partially declined claims and settlement delays. For example, several organisations reported that all declined claims are escalated to a manager for review, with feedback and assistance then given to the broker. Many organisations also routinely monitor measures such as outstanding tasks in claims systems, timely responses, level of uninsured losses and claims-related complaints.

3.2.4 On-the-job supervision

Routine, on-the-job oversight of staff is also widely used to monitor and develop competency. Organisations described how staff interactions with clients are continually monitored and how competency issues are addressed in regular one-on-one and group meetings.

4. Educational qualifications

Formal education, as one Code Subscriber noted, provides the theoretical foundation to enable insurance brokers to understand the products they advise upon and the complex legal context in which they work. Recognising this, NIBA has identified a sound educational qualification as one of the crucial elements of professionalism. Formal educational qualifications are also a key way in which insurance brokers can meet the minimum regulatory training standards.

4.1 Tertiary qualifications

Organisations' client-facing, management and support staff have distinct educational profiles. While there is considerable diversity among each staff grouping, in general, support staff tend to be least qualified; client-facing staff tend to have mid-level qualifications; and management staff are most likely to hold higher education qualifications. Education profiles also differ by organisation size.

4.1.1 Client-facing staff

Among client-facing staff, Certificate IVs and Diplomas appear to be the most common tertiary education qualifications. Most organisations (89%) report that they have client-facing staff with a Certificate IV. Almost as many (86%) have client-facing staff with a Diploma of Insurance Broking. More than three-quarters (77%) of organisations have client-facing staff who hold a Certificate III in Insurance Broking.

In large organisations, the educational profile of client-facing staff seems to be more diverse. Large organisations are far more likely to have some client-facing staff with **no** formal educational qualification – something reported by 30% of large organisations versus less than 10% of medium, small and micro organisations. However, large organisations are also more far likely to have some client-facing staff with Advanced Diplomas, Graduate Diplomas and higher education degrees, particularly university degrees.

The reasons for this are not clear from the data. However, it is reasonable to conclude that with more broking staff and greater diversity of clients, large organisations simply have more scope for variation. The more diverse profile may also reflect more role specialisation and seniority levels among client-facing staff in large organisations.

4.1.2 Managers and support staff

Overall, responses indicate that managers are more likely to have a higher education qualification than either client-facing or support staff. In particular, nearly three-quarters (72%) of organisations have management staff with a commerce degree. A commerce degree also appears to be the most commonly held higher education qualification among client-facing staff. Among support staff, an accounting degree appears to be the most common higher education qualification.

Staff without tertiary qualifications are more frequently found in support roles: most organisations (88%) reported that at least some support staff have no qualification.

Conversely, only 12% of organisations reported having some client-facing staff without a qualification; the same proportion had management staff without a qualification.

4.2 Compliance with ASIC minimum training standards

Insurance brokers are bound by ASIC's minimum training standards for financial product advisers, which are contained in RG 146. By setting out the minimum knowledge and skills associated with advising activities, RG146 aims to ensure that those providing advice to consumers are competent to do so. Individuals typically meet the standards by completing ASIC-recognised training courses, although competence can also be established via an assessment.

Financial product advisers must have specialist knowledge about the products they advise on. These products are categorised by complexity into two 'tiers' with associated minimum training standards. Tier 2 financial products – including most general insurance products – are generally simpler and better understood by consumers, and people providing advice about these products are expected to have an education level broadly equivalent to a Certificate III.

To advise on more complex Tier 1 products – including life insurance and sickness and accident insurance – an adviser is expected to have an education level broadly equivalent to a Diploma.

4.2.1 Client-facing staff

Almost all organisations (96%) have at least some Tier 1 qualified individuals among their client-facing staff. This includes 100% of large and small organisations. In 96% of organisations, all client-facing staff are Tier 1 qualified. Among these are organisations that have an explicit organisational requirement that all client-facing staff are to have Tier 1 qualifications from the outset, or to undertake them immediately after beginning. 78% have a client-facing staff of Tier 2 qualified individuals. Some have a mix of Tier 1 and Tier 2 qualified client-facing staff. For example, one organisation noted that staff advising wholesale clients have Tier 1 qualifications, while those advising retail clients have only Tier 2 qualifications.

Around one in twenty organisations has some client-facing staff with neither Tier 1 nor Tier 2 qualifications. This is most common in large organisations, 13% of which have such staff, and least common in micro institutions (3%). It appears that those without this compliance level are in provide customer service but do not give advice or do so only from a script or under direct supervision (as permitted under RG 146).

Although insurance brokers may require only Tier 1 or Tier 2 compliance, NIBA has suggested that the industry should exceed these standards. NIBA President, Tim Wedlock, recently argued that in order to act and be seen as a profession, insurance brokers should embrace the Diploma of Insurance Broking as a minimum education standard. There appears to be broader industry support for this proposal. The Committee applauds those organisations that have set an expectation that all broking staff should have or be working towards the Diploma.

4.2.2 Managers and support staff

The vast majority of organisations (including all large organisations) have at least one Tier 1 compliant manager on staff. Often, management comprises a mix of individuals with Tier 2 and Tier 1 compliance. Only a minority of organisations (11%) have any managers on staff who are neither Tier 1 nor Tier 2 compliant. Managers without these qualifications are more common in medium (24%) and large (25%) organisations, where they work in non-client servicing roles such as Operations Manager or Human Resources Manager. In micro organisations – just 4% of which have management staff without Tier 1 or Tier 2 compliance – these functions are presumably more likely to be performed by individuals who also service clients and thus require Tier 1 or 2 qualifications.

Support staff work in roles in areas including IT, accounting, marketing, reception, claims assistance and payment processing. As these staff do not provide advice, there is no regulatory or Code requirement that they have Tier 1 or Tier 2 qualifications. Nevertheless, support staff with Tier 1 or 2 qualifications are reasonably common. Almost a quarter (23%) of organisations reported that they have some support staff who are Tier 1 compliant, while just over half (53%) said that some support staff have Tier 2 qualifications. There is a clear relationship with institution size: the larger the institution, the more likely it is to have some support staff who are Tier 1 or 2 compliant.

5. Competency-based training

While formal education is a solid foundation for professional practice, alone it does not furnish staff with all the skills, knowledge and behaviours needed to provide services competently. Staff also need supplementary on-the-job support and experience to develop the competencies required in their role.

5.1 Emphasis on competency-based training

Almost all insurance brokers identified competency-based training as either essential (65%) or a high priority (31%) within their organisation. Most organisations see staff competency as key to service quality and thus business success: one organisation described competency as the 'backbone' of its service standards.

Although organisations see maintaining service standards as the primary objective of competency-based training, they also identified other benefits. Providing such training is a license requirement and reduces an organisation's potential exposure to Professional Indemnity claims. Several organisations also noted that competency-based training is sought and valued by staff themselves, as it boosts job satisfaction and benefits career development.

Several organisations noted that in a fast-changing and complex industry, competency development must be ongoing. To provide professional services, staff must also keep pace with constant change, maintaining current knowledge of products, technologies and regulatory requirements.

Organisations identified many ways in which they demonstrate the commitment to competency-based training. These included:

- investing time and resources in staff training and development
- facilitating, encouraging or requiring staff to gain qualifications or participate in continuing professional development
- encouraging knowledge-sharing among staff
- developing frameworks and targets for competency and training
- having systems for recording participation and attainment as well as identifying future training needs.

A handful of organisations reported that competency-based training was only a medium priority for their business. These organisations commented on other contributors (beyond training) to service quality; to deficiencies in some competency-based training courses; and on the tendency for training to be pushed to the side because of the demands of day-to-day work servicing clients.

5.2 Competency-based training activities

Most organisations employ an array of competency-based training activities. The range of activities made available to staff varies according by role. There are also differences in the activities undertaken in organisations of different sizes.

5.2.1 Client-facing staff

Most organisations provide the broadest range of competency-based training activities to their client-facing staff. On-the-job training on both technical matters (98% of organisations) and products (96%) is near-universal. Staff are supported with opportunities to learn independently through self-guided study (98%) and by completing online or computer-based training programs. Such training is offered to client-facing staff by 97% of organisations, including all large organisations, which benefit from the consistent standard of knowledge assessment across branches and business units offered by web-based training tools.

As one organisation noted, 'broker-to-broker discussion is a valuable way of increasing product and industry knowledge'. Accordingly, most organisations (96%) facilitate peer learning for client-facing staff at team meetings (96%), including knowledge-sharing or problem-sharing sessions and 'lunch and learns'. Peer-to-peer training and mentoring are also offered by 91% of organisations. This training and mentoring can be either formal, such as NIBA mentoring or a buddy program for new staff, or informal, such as routine mentoring from supervisors or managers. Some organisations referred to ongoing open conversation between senior and junior staff, or a cultural expectation that experienced staff will pass on their knowledge to others.

Client-facing staff also develop knowledge and skills with virtual and face-to-face events or training sessions, which may be developed and run internally, or by insurers or providers such as the Australian and New Zealand Institute of Insurance and Finance and A&I Member Services. Webinars are common (used by 97% of organisations). Some micro and regional organisations are constrained in sending staff to face-to-face events, but attendance at seminars and workshops is nevertheless common (97%). Client-facing staff are less likely to attend conferences than management staff; nevertheless, four in five organisations (81%) – typically larger organisations – provide opportunities for conference attendance.

5.2.2 Management and support staff

Organisations tend to provide a smaller range of competency-based training activities to management staff. Compared to client-facing staff, they are somewhat less likely to have on-the-job technical or product training provided to them (provided by 85% and 89% of organisations respectively). Management staff is also less likely to attend webinars (89%) or participate in peer-to-peer training and mentoring programs (62%). The types of competency-based training most widely available to management staff are self-guided study (97%), attendance at seminars and workshops (87%), and conference attendance (99%).

Organisations tend to offer the narrowest suite of competency-based training activities to support staff. Fewer organisations provide on-the-job technical training (71%) to staff in these roles, while on-the-job product training is even less common (57%), presumably because product understanding is less needed in non-advisory roles. Organisations less commonly have support staff complete online or computer-based training (76%), or attend webinars (53%), seminars and workshops (76%) or conferences (16%). Even low-cost training options appear to be less available to support staff, with a smaller proportion of organisations facilitating self-guided study (72%) or peer learning via peer mentoring and training (74%) or team meetings (87%).

There is a clear relationship between organisation size and the competency-based training made available to support staff. As organisations increase in size, they become much more likely to provide various types of training to these staff. The reason for this is not clear from

the data, and the difference may reflect the resources available; the type of support roles in organisations of different sizes; the priority placed on training or a combination of these (and possibly other) factors.

5.3 Recording training and measuring outcomes

Under Service Standard 8, organisations must keep a record of training undertaken by staff for at least five years. Most organisations appear to have a system (such as a training register) for recording and tracking the training activities that staff has completed and their CPD points.

The Code also requires members to measure the effectiveness of training by monitoring staff performance. It appears that most if not all organisations do indirectly evaluate the success of competency-based training activities by monitoring staff performance. This monitoring includes both structured, formal assessment in annual performance reviews and ongoing, informal observation.

In annual performance reviews, staff members' competency and performance is evaluated and linked with discussion of training and development completed in the previous year and planned for the next. To assess performance, organisations draw on information from file reviews, audits, client feedback and complaint and breach registers. Performance is often tracked against Key Performance Indicators and measures such as sales and income and/or loss ratios. Over time, some larger organisations also track individual staff members' career progression through a career framework.

In addition to annual performance reviews, most organisations assess performance with ongoing observation by line managers and peers. This can include observation of whether new knowledge and skills from competency-based training activities are being applied.

Only sometimes do organisations directly assess the outcomes of specific training activities. Organisations or external training providers sometimes collecting staff feedback about the training via a survey or feedback sheet. Many online and computer-based training programs have in-built quizzes or assessments, the results of which may be reviewed by management. Several organisations reported that they gauge the usefulness of events like webinars and conferences by asking staff to debrief their teams on what was covered and learnt. One organisation reported that it includes questions about training and development in an annual employee engagement survey.

5.4 Code training

As part of the Service Standard 8 is a requirement to ensure staff are trained and competent to provide services, organisations commit to ensuring staff are trained in the Code. This Code training requirement applies to anyone providing services to clients on behalf of the Code member⁸ – understood to mean all client-facing employees and Authorised Representatives.

A majority of organisations (78%) reported that they require **all** staff to undertake Code training, regardless of their role. This overall figure, however, hides a marked difference

⁸ This requirement applies to 'Representatives' (i.e. both employees and Authorised Representatives) providing 'covered services' (insurance services and related services including claims administration, risk inspection and so on).

between large organisations – of which only 38% train all staff in the Code – and smaller organisations, which are much more likely to require all staff to participate in this training. Micro institutions are most likely to train all staff, with more than four in five (83%) doing so. Typically, mandatory Code training is part of an induction process that all staff go through. Many organisations also provide refresher Code training at set intervals or when the Code changes. Larger organisations generally have their own global code of conduct with training provided regularly to global staff.

Among organisations that target Code training to only certain staff, all appear to require advising staff to undertake Code training. Beyond this, some organisations also mandate or offer the training for other client-facing staff (such as claims teams); some or all managers; and/or selected support staff. Support staff such as those in administration and finance roles appear to be least likely to be required to participate in Code training. Several organisations noted that while Code training is not required of all staff, an overview of the Code is provided during induction sessions or made readily available to all staff.

Although the Code does not extend the Code training requirement to all staff, the Committee's view is all staff would benefit from an understanding of the Code and its requirements. Where Code Subscribers do choose to limit Code training to client-facing staff, they must ensure that this extends beyond advising roles to encompass staff providing associated services including claims administration, loss control and risk management advice, mutual fund or captive administration, risk inspection and premium funding arrangement or referral.

6. Conclusion

It is clear from the responses to this Inquiry that the vast majority of Code Subscribers take competency very seriously. They demonstrate a commitment to professionalism by developing competency frameworks; drawing on a range of data sources to proactively monitor staff performance; requiring staff to meet – and often exceed – minimum training and qualification requirements; and supporting on-the-job competency development with a broad range of competency-based training activities.

To maintain and further develop this competency and professionalism – as well as the client and community trust it engenders – all Code Subscribers should embrace the good practices identified in this inquiry. They should:

- incorporate the Code into the overall company structure and strategy as a representation of the organisation's commitment to the highest standards of conduct and service and doing more than the required minimum
- develop and communicate a common organisational understanding of competency focused on meeting client expectations
- assess and monitor staff performance based on skills, knowledge, attitude and behaviour, encouraging and developing leadership, regardless of the type of client the staff member serves
- keep good records of training undertaken and monitor staff performance through client feedback, file audits and claims outcomes
- treat competency-based training as equally important as educational qualifications, and strive to exceed ASIC minimum training standards
- embed a robust training and educational framework encompassing all staff, including client-facing and support staff. Train all staff in the Code obligations.

Appendix 1. Questionnaire

PROFESSIONALISM and COMPETENCY

Competency can be defined as a standardised requirement for an individual to perform a specific job properly. Competency standards are specifications of performance determined by an industry. They highlight the skills, knowledge, attitudes and behaviours, together with the performance level required to operate effectively in a specific trade or profession.

Competency is categorised by:

- **Job skills or tasks - what the person is able to do.**
- **Knowledge, attitudes and behaviours required to perform each job skill or task.**
- **Performance standard - the accepted level of performance for each job skill or task.**

- 1. Do you define competency within your organisation? (select ONE only)**
 - Yes, please comment how do you define competency within your organisation
 - No, please comment
 - Other, please specify
- 2. How do you categorise competency within your organisation? (select ALL applicable)**
 - Job skills or tasks, please comment
 - Knowledge, attitudes and behaviours, please comment
 - Performance standard, please comment
 - By client size, please comment
 - By industry sector, please comment
 - Other, please specify
- 3. How do you measure competency within your organisation (e.g. that the individual is adequately competent to discharge their duties diligently, competently and with honesty and integrity)? (select ALL that applicable)**
 - Knowledge and understanding, please comment
 - Application of knowledge and understanding, please comment
 - Reasoned advice and depth of technical knowledge, please comment
 - Other, please specify
- 4. How do you monitor competency on an ongoing basis? (select ALL applicable)**
 - File audits, please comment
 - Client feedback, please comment
 - Claims outcomes, please comment
 - Other, please specify
- 5. To what degree do you believe the Insurance Brokers Code of Practice supports competency within the insurance broking sector? (select ONE only)**
 - Essential, please comment

- High priority, please comment
- Small priority, please comment
- Low priority, please comment
- Not a priority, please comment

EDUCATION/TRAINING and PROFESSIONALISM

Professionalism is the competence or skill expected of a professional. It describes the standards of *education and training* that prepare members of the profession with the particular knowledge and skills necessary to perform the role required of that profession.

The success of an organisation will have a correlation to both how competent and professional their staff and representatives are. Formal education may not completely provide staff with all the necessary skills required to provide services competently. Staff may need additional on-the-job training or mentoring to meet the particular standards identified by your organisation and the Code.

This is where *competency-based training* is essential. Competency-based training is developed around the competency standards that have been identified for a specific job. To be assessed as competent, a person must demonstrate the ability to perform the job's specific tasks.

6. To what degree do you believe competency-based training is valued in your organisation? (select ONE only)

- Essential, please comment
- High priority, please comment
- Small priority, please comment
- Low priority, please comment
- Not a priority, please comment

7. Which types of competency-based training does your organisation undertake? (select ALL applicable)

	Management staff	Client facing/engagement staff (eg providing advice)	Support staff (non-advice)
On the job training – technical			
On the job training - product			
Webinars			
Peer to peer training / Mentor program			
Online/computer based training			
Attendance at seminars / workshops			
Attendance at conferences			
Team meetings			
Self-guided study (newsletters, reading)			
Other, please specify			
Not applicable, please comment			

Comments:

8. Do you measure the success of the competency-based training provided and if so how? (select ONE only)

- Yes, please comment
- No, please comment
- Other, please specify

9. Please advise staff (including authorised representatives) who have the following formal education? (select ALL applicable)

	Management staff	Client facing/engagement staff (eg providing advice)	Support staff (non-advice)
None			
Certificate III in Insurance Broking			
Certificate IV in Insurance Broking			
Diploma of Insurance Broking			
Advanced Diploma in Insurance Broking			
Graduate Diploma in Insurance Broking			
Tertiary Degree in Commerce or Business			
Tertiary Degree in Accounting			
Tertiary Degree in Law			
Tertiary Degree Other, please specify			
Other, please specify			

Comments:

10. Do you require all staff, regardless of role, to undertake Code training? (select ONE only)

- Yes, please comment
- No, please comment
- Other, please specify

11. Please advise staff (including authorised representatives) who hold the following level of compliance with ASIC RG 146? (select ALL applicable)

	Management staff	Client facing/engagement staff (eg providing advice)	Support staff (non-advice)
Tier 1 (compulsory for those giving detailed advice in insurance broking, life insurance, superannuation, financial planning, managed investments, derivatives, securities and general			

	Management staff	Client facing/engagement staff (eg providing advice)	Support staff (non-advice)
insurance, including personal accident and sickness product)			
Tier 2 (required for those who provide general and/or personal advice on insurance products)			
None, please comment			
Other, please specify			

Comments:

Appendix 2. Data summary

1. Do you define competency within your organisation?

Size of organisation	Large	Medium	Small	Micro	Total
Yes	84%	98%	86%	90%	90%
No	16%	2%	7%	8%	8%
Other	-	-	7%	2%	2%

2. How do you categorise competency within your organisation?

(Multiple selection possible)

Size of organisation	Large	Medium	Small	Micro	Total
Job skills or tasks	100%	90%	90%	92%	92%
Knowledge, attitudes and behaviours	100%	93%	97%	90%	92%
Performance standard	84%	78%	83%	69%	73%
By client size	42%	43%	24%	21%	26%
By industry sector	32%	33%	17%	19%	22%
Other	26%	5%	7%	8%	9%

3. How do you measure competency within your organisation (e.g. that the individual is adequately competent to discharge their duties diligently, competently and with honesty and integrity)?

(Multiple selection possible)

Size of organisation	Large	Medium	Small	Micro	Total
Knowledge and understanding	89%	93%	90%	83%	86%
Application of knowledge and understanding	89%	83%	86%	82%	83%
Reasoned advice and depth of technical knowledge	84%	65%	72%	64%	66%
Other	16%	10%	3%	9%	9%

4. How do you monitor competency on an ongoing basis?

(Multiple selection possible)

Size of organisation	Large	Medium	Small	Micro	Total
File audits	95%	98%	90%	88%	90%
Client feedback	89%	95%	83%	77%	81%
Claims outcomes	68%	73%	79%	69%	71%
Other	58%	20%	24%	17%	21%

5. To what degree do you believe the Insurance Brokers Code of Practice supports competency within the insurance broking sector?

Size of organisation	Large	Medium	Small	Micro	Total
Essential	58%	58%	62%	54%	55%
High priority	32%	30%	24%	39%	35%
Medium priority	10%	3%	10%	6%	6%
Low priority	0%	7%	0%	1%	2%
Not a priority	0%	2%	4%	0%	2%

6. To what degree do you believe competency-based training is valued in your organisation?

Size of organisation	Large	Medium	Small	Micro	Total
Essential	58%	65%	76%	64%	65%
High priority	37%	30%	24%	32%	31%
Medium priority	5%	5%	0%	4%	4%
Low priority	0%	0%	0%	0%	0%
Not a priority	0%	0%	0%	0%	0%

7. Which types of competency-based training does your organisation undertake?
(Multiple selection possible)

All organisations (Total of 280)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
On the job training – technical	85%	96%	71%
On the job training - product	89%	98%	57%
Webinars	89%	97%	53%
Peer to peer training / Mentor program	62%	93%	74%
Online/computer based training	84%	97%	76%
Attendance at seminars / workshops	97%	97%	50%
Attendance at conferences	99%	81%	16%
Team meetings	96%	96%	87%
Self-guided study (newsletters, reading)	97%	98%	72%
Other	43%	43%	35%
Not applicable	4%	4%	7%

Large organisations (Total of 19)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
On the job training – technical	63%	89%	89%
On the job training - product	83%	100%	56%
Webinars	84%	95%	68%

Large organisations (Total of 19)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
Peer to peer training / Mentor program	67%	94%	83%
Online/computer based training	89%	100%	95%
Attendance at seminars / workshops	100%	100%	84%
Attendance at conferences	100%	100%	58%
Team meetings	89%	89%	95%
Self-guided study (newsletters, reading)	100%	100%	84%
Other	75%	88%	63%
Not applicable	0%	0%	0%

Medium organisations (Total of 40)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
On the job training – technical	83%	100%	75%
On the job training - product	90%	100%	58%
Webinars	87%	97%	66%
Peer to peer training / Mentor program	76%	97%	73%
Online/computer based training	87%	97%	85%
Attendance at seminars / workshops	97%	100%	64%
Attendance at conferences	100%	95%	21%
Team meetings	95%	100%	95%
Self-guided study (newsletters, reading)	97%	100%	82%
Other	43%	43%	29%
Not applicable	0%	0%	0%

Small organisations (Total of 29)	Management staff	Client facing/ staff (providing advice)	Support staff (non-advice)
On the job training – technical	93%	97%	76%
On the job training - product	86%	97%	59%
Webinars	90%	97%	52%
Peer to peer training / Mentor program	59%	89%	67%
Online/computer based training	83%	97%	79%
Attendance at seminars / workshops	100%	100%	48%
Attendance at conferences	97%	86%	21%
Team meetings	100%	97%	90%
Self-guided study (newsletters, reading)	93%	100%	79%
Other	33%	33%	33%
Not applicable	0%	0%	0%

Micro organisations (Total of 192)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
On the job training – technical	87%	96%	67%
On the job training - product	89%	97%	57%
Webinars	90%	97%	49%
Peer to peer training / Mentor program	59%	92%	75%
Online/computer based training	82%	96%	72%
Attendance at seminars / workshops	96%	96%	43%
Attendance at conferences	98%	75%	10%
Team meetings	96%	96%	84%
Self-guided study (newsletters, reading)	97%	97%	68%
Other	36%	32%	29%
Not applicable	6%	6%	12%

8. Do you measure the success of the competency-based training provided and if so how?

Size of organisation	Large	Medium	Small	Micro	Total
Yes	95%	80%	76%	71%	75%
No	0%	13%	14%	21%	18%
Other	5%	7%	10%	8%	7%

9. Please advise staff (including authorised representatives) who have the following formal education?

(Multiple selection possible)

Total organisations (Total of 280)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
None	12%	12%	88%
Certificate III in Insurance Broking	29%	77%	47%
Certificate IV in Insurance Broking	40%	89%	24%
Diploma of Insurance Broking	89%	86%	20%
Advanced Diploma in Insurance Broking	80%	45%	6%
Graduate Diploma in Insurance Broking	68%	44%	4%
Tertiary Degree in Commerce or Business	72%	55%	24%
Tertiary Degree in Accounting	58%	19%	49%
Tertiary Degree in Law	47%	44%	28%
Tertiary Degree Other	54%	49%	32%
Other	47%	35%	52%

Large organisations (Total of 19)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
None	20%	30%	100%
Certificate III in Insurance Broking	7%	64%	57%
Certificate IV in Insurance Broking	50%	92%	50%
Diploma of Insurance Broking	75%	100%	50%
Advanced Diploma in Insurance Broking	83%	83%	25%
Graduate Diploma in Insurance Broking	57%	86%	29%
Tertiary Degree in Commerce or Business	93%	93%	93%
Tertiary Degree in Accounting	80%	53%	80%
Tertiary Degree in Law	83%	58%	58%
Tertiary Degree Other	82%	82%	82%
Other	67%	50%	83%

Medium organisations (Total of 40)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
None	9%	9%	100%
Certificate III in Insurance Broking	27%	81%	50%
Certificate IV in Insurance Broking	38%	92%	38%
Diploma of Insurance Broking	89%	92%	33%
Advanced Diploma in Insurance Broking	95%	62%	0%
Graduate Diploma in Insurance Broking	67%	58%	0%
Tertiary Degree in Commerce or Business	67%	72%	6%
Tertiary Degree in Accounting	58%	8%	33%
Tertiary Degree in Law	25%	75%	0%
Tertiary Degree Other	43%	57%	43%
Other	64%	45%	55%

Small organisations (Total of 29)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
None	25%	8%	92%
Certificate III in Insurance Broking	21%	79%	36%
Certificate IV in Insurance Broking	33%	83%	33%
Diploma of Insurance Broking	93%	85%	26%
Advanced Diploma in Insurance Broking	67%	25%	0%
Graduate Diploma in Insurance Broking	60%	20%	0%

Small organisations (Total of 29)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
Tertiary Degree in Commerce or Business	82%	53%	18%
Tertiary Degree in Accounting	60%	20%	60%
Tertiary Degree in Law	29%	57%	29%
Tertiary Degree Other	64%	55%	18%
Other	44%	44%	44%

Micro organisation (Total of 192)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
None	8%	9%	83%
Certificate III in Insurance Broking	35%	77%	46%
Certificate IV in Insurance Broking	41%	89%	16%
Diploma of Insurance Broking	89%	83%	13%
Advanced Diploma in Insurance Broking	77%	36%	5%
Graduate Diploma in Insurance Broking	73%	31%	0%
Tertiary Degree in Commerce or Business	66%	43%	15%
Tertiary Degree in Accounting	49%	8%	38%
Tertiary Degree in Law	35%	25%	15%
Tertiary Degree Other	47%	39%	22%
Other	41%	29%	49%

10. Do you require all staff, regardless of role, to undertake Code training?

Size of organisation	Large	Medium	Small	Micro	Total
Yes	38%	74%	78%	83%	78%
No	56%	21%	19%	15%	19%
Other	6%	5%	3%	2%	3%

11. Please advise staff (including authorised representatives) who hold the following level of compliance with ASIC RG 146?

(Multiple selection possible)

All organisations (Total of 280)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
Tier 1 (compulsory for those giving detailed advice in insurance broking, life insurance, superannuation, financial planning, managed investments, derivatives, securities and general	95%	96%	23%

All organisations (Total of 280)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
insurance, including personal accident and sickness product)			
Tier 2 (required for those who provide general and/or personal advice on insurance products)	44%	78%	53%
None	11%	5%	78%
Other	27%	18%	24%

Large organisations (Total of 19)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
Tier 1 (compulsory for those giving detailed advice in insurance broking, life insurance, superannuation, financial planning, managed investments, derivatives, securities and general insurance, including personal accident and sickness product)	100%	100%	58%
Tier 2 (required for those who provide general and/or personal advice on insurance products)	44%	89%	78%
None	25%	13%	63%
Other	25%	0%	25%

Medium organisations (Total of 40)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
Tier 1 (compulsory for those giving detailed advice in insurance broking, life insurance, superannuation, financial planning, managed investments, derivatives, securities and general insurance, including personal accident and sickness product)	93%	98%	35%
Tier 2 (required for those who provide general and/or personal advice on insurance products)	47%	75%	59%
None	24%	6%	71%
Other	29%	43%	0%

Small organisations (Total of 29)	Management staff	Client facing staff (providing advice)	Support staff (non-advice)
Tier 1 (compulsory for those giving detailed advice in insurance broking, life insurance, superannuation, financial planning, managed investments, derivatives, securities and general insurance, including personal accident and sickness product)	90%	100%	24%
Tier 2 (required for those who provide general and/or personal advice on insurance products)	56%	80%	48%
None	17%	6%	83%
Other	20%	20%	20%

Micro organisations (Total of 192)	Management staff	Client facing/ staff (providing advice)	Support staff (non-advice)
Tier 1 (compulsory for those giving detailed advice in insurance broking, life insurance, superannuation, financial planning, managed investments, derivatives, securities and general insurance, including personal accident and sickness product)	96%	95%	17%
Tier 2 (required for those who provide general and/or personal advice on insurance products)	40%	77%	49%
None	4%	3%	81%
Other	28%	14%	31%