



**AUTORITATEA  
DE SUPRAVEGHERE  
FINANCIARĂ**

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# Insurance Staff Professional Development – the best way to educate the consumers



# Yin & Yang of education

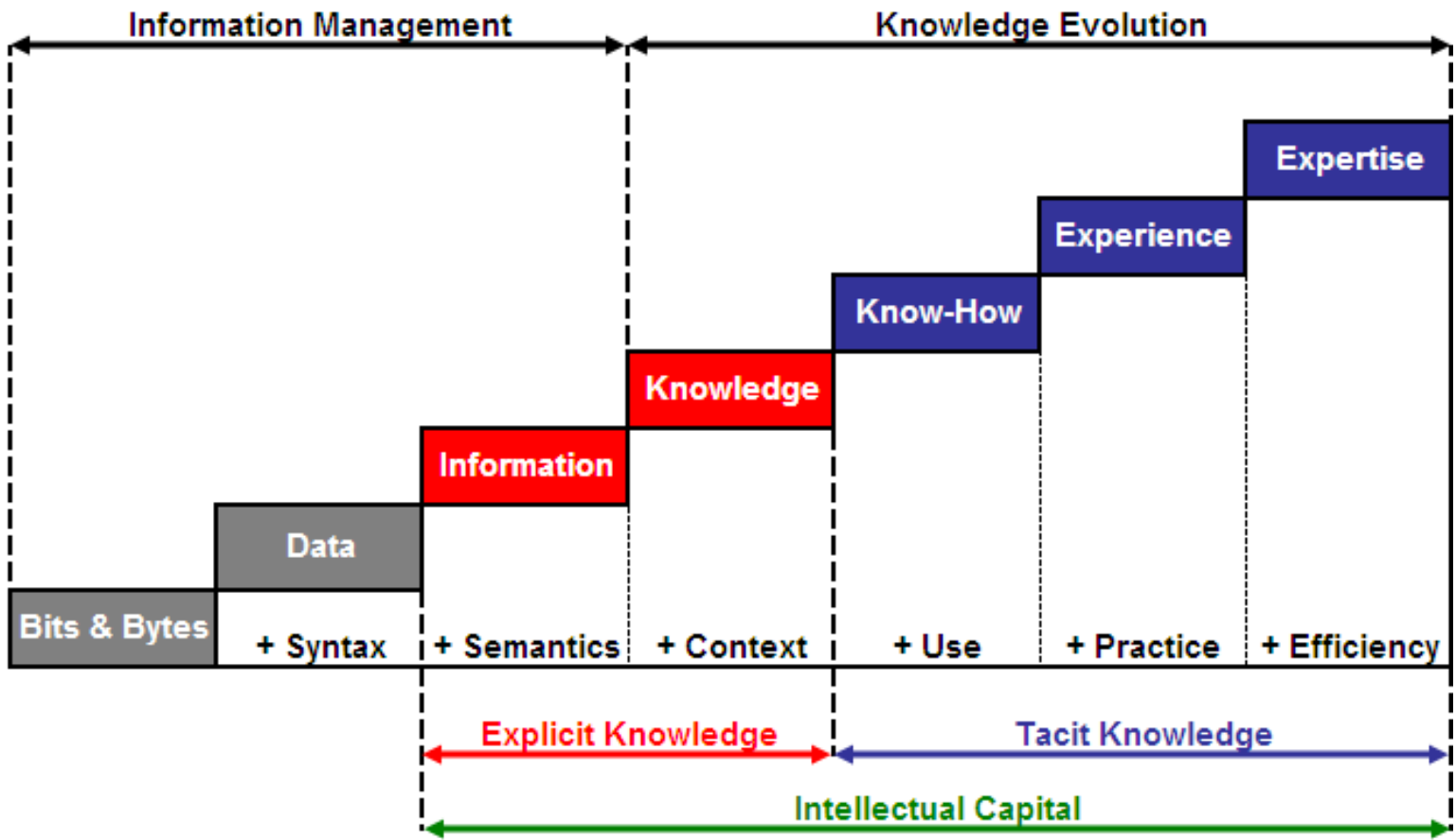
- The best education way is the practical approach
- Which should be the best trainers for consumers?
  - Staff of insurance co/brokers at consultancy/selling point
  - Leadership of the management
- Well professional developed staff will educate the consumers by interaction of them
- Should educate the consumers to feel what they buy, but essential is to have educated staff to sell in an honest, correct and in the interest of consumer way
- Trust – the essential word - can be obtain by correct leadership



# About what is the education?

- Competencies
  - **Knowledges**
  - **Skills**
- Consumers and professionals should develop complementary competences
- Consumers will not be professionals, they need skills for a better feeling about their needs, how to select, where to look, what questions to ask, how to see bad practices etc
- Staff should prove soft skills and a deep understanding of financial knowledges to be capable to explain it in easy, understandable ways for consumers
- Staff should have correct behaviors

# Knowledge?



Knowledge Building Process & Intellectual Capital

# Why?

An financial institution should assure:

1. Financial stability of the institution (...not to be helped by guarantee fund...)
2. Protection of consumers (by well fitted products for clients needs)

The personnel of an insurance company should prove that they possess and demonstrate:

- the competence,
- fitness, and
- reputation

deemed necessary to serve the insurance company in such position.

Main root cause of failures – the leadership human factor: pressures, aspirations increase and impact on rational practices. Inappropriate practices and behaviors increase and affect financial stability and consumers.

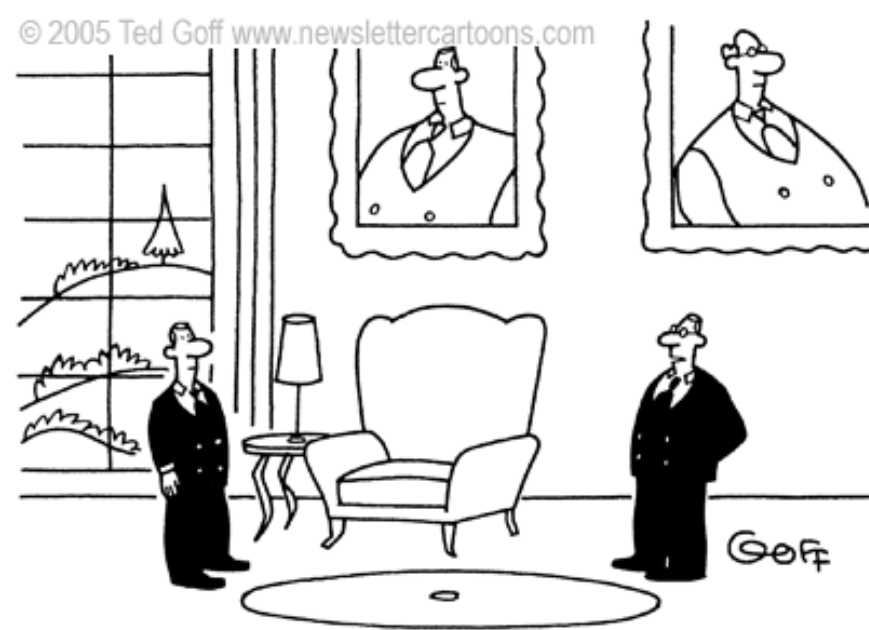
# Selecting, developing and managing leaders

- Selection, development and accountability of leaders need to be considered carefully.
- Failure as a learning tool:
  - Understanding insurance failures, their life cycle, root cause analysis, de-railing leadership attributes, the best mitigations for the risks of failures and appropriate ways to deal with the consequences of failures should be part of the curriculum of training programs for insurance executives, boards and regulators
- A holistic leadership model like which covers financial and other aspects, to assure capability, desired capability and potential gap based on the current context of the organization
- Resilience: Almost all failures are due in part to external circumstances that expose weaknesses and vulnerabilities in current practices. An antidote - developing capacities to respond better to significant changes each time.



- The expedite for staff extended training and professional development is stated by Insurance Distribution Directive (IDD)
- Minimum requirements for knowledges and skills
- But, more important, extended principles related to business conduct, the staff conduit
- Conduct is linked to behavior, corporate and individual culture, respect of rules, principle of qualified judgment, conflict of interests, etc
- ....qualified judgment....to be qualified, and to have judgment....

**Thank you!**



**“Your job will be to look at things  
in a new way and translate them  
to the old way for me.”**



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