



**MINISTRY OF FINANCE**  
**Insurance Companies Control Service**

**Orders of the Superintendent of Insurance**  
**on the requirements for continuing professional**  
**training and development**

**27<sup>th</sup> June, 2022**

## Contents

<b>Contents .....</b>	<b>2</b>
<b>1 Introduction.....</b>	<b>3</b>
<b>2 Scope.....</b>	<b>3</b>
<b>3 Continuous Professional Development - CPD .....</b>	<b>4</b>
<b>4 General requirements .....</b>	<b>5</b>
<b>5 Archiving and proof .....</b>	<b>6</b>
<b>6 Special considerations.....</b>	<b>7</b>
<b>7 Violation of the Orders .....</b>	<b>8</b>

## 1 Introduction

The Superintendent of Insurance ("Superintendent"), after taking into account:

- (a) Regulation 33 of the Insurance and Reinsurance Business and Other Related Issues Regulations of 2016-2021, "the Regulations", which provides that natural persons engaged in the distribution of insurance or reinsurance products as insurance intermediaries, as well as employees of an insurance intermediary or an insurance undertaking, who are directly involved in the distribution comply with the requirements for continuing professional training and development referred to in paragraphs (a) to (d), but also further requirements which are provided for in Orders issued by the Superintendent,

decided to issue the following Orders for the purpose of regulating further requirements for continuous professional training and development within the meaning of sub-paragraph (c) of paragraph (2) of article 361 of the Insurance and Reinsurance Business and Other Related Issues Laws of 2016-2022 ("the Law").

In the following Orders where reference is made to insurance undertakings this includes reinsurance undertakings and where reference is made to an insurance intermediary this also includes a reinsurance intermediary.

In the following Orders where reference is made to an employee this means an employee who is directly involved in the distribution of insurance products and where reference is made to insurance products, this includes reinsurance products.

## 2 Scope

These Orders apply to:

- Natural person registered in a Register of natural and legal persons engaged in intermediation activity (Register).
- Managers of a legal entity registered in a Register.

- Employees of natural and legal persons registered in a Register who are directly involved in the distribution of insurance products.
- Employees of an insurance undertaking who are directly involved in the distribution of insurance products.

### 3 Continuous Professional Development - CPD

1. A person who undertakes and carries out activities of distribution of insurance or reinsurance products must renew his knowledge through Continuous Professional Development - CPD. This is achieved through training in topics such as changes in insurance legislation or related legislation, regulatory changes, new products and services, new markets and consumer trends, as well as training or renewal of knowledge in existing products of insurance undertakings.

2. According to Regulation 33 of the Regulations, all insurance intermediaries (except ancillary insurance intermediaries), and persons working in insurance undertakings or insurance intermediation undertakings and are directly involved in the distribution of insurance products, must cover at least 15 hours CPD per year.

3. The following paragraphs in this section do not apply to insurance brokers and their employees.

4. Of the 15 hours CPD, the 2 hours should be for training in insurance products offered by the insurance undertaking with which the intermediary or employees cooperate and this should be offered by the insurance undertaking (product CPD).

5. In case an intermediary cooperates with more than one insurance undertaking, then both he and his employees need an additional two hours of product CPD for each additional insurance undertaking with which they cooperate.

That is, if an intermediary works with one insurance undertaking then 13 hours of CPD and 2 hours of product CPDs are required for him and his employees. If he cooperates with more than one insurance undertaking then 13 hours of CPD + 2 product CPD are required for each insurance undertaking he cooperates with.

Example:

The intermediary cooperates with 3 insurance undertakings.

Then 13 CPDs are required + 3 x 2 (Product CPDs) = 19 hours per year.

6. In the case of intermediaries who are registered for the first time in any register, or employees of intermediaries or insurance undertakings who are involved for the first time in the distribution of insurance products, the obligation to hold 13 hours CPD for the first calendar year will be applied proportionally depending on the month of entry in the relevant register. This does not apply to extension of registration, nor to the 2-hour product CPD.

7. With regard to insurance sub-agents who distribute insurance products on behalf of an insurance agent then the 2-hour product CPD applies to the insurance undertakings with which the insurance sub-agent cooperates on behalf of the insurance agent. This is certified by the insurance agent, through a certificate that he provides the insurance sub-agent for each calendar year. The insurance sub-agent submits this certificate along with his CPDs whenever these are due. In case of non-submission of this certificate, then the insurance sub-agent must have product CPDs for each insurance undertaking with which the insurance agent cooperates.

8. With regard to insurance sub-agents who distribute insurance products on behalf of an insurance broker, then it is required that they have the same CPDs as the insurance broker (ie they should have a total of 15 CPDs per year).

## **4 General requirements**

1. An insurance intermediary who employs employees must make sure that they meet the training requirements for each year.

2. An insurance undertaking that has employees directly involved in the distribution of insurance products must ensure that they meet the training requirements for each year. The head of the operation mentioned in article 362 of the Law, takes all appropriate measures in order to ensure that this requirement is fulfilled.

3. In any case, the insurance intermediary or the insurance undertaking should evaluate the training programs offered in order to confirm that the training meets the following conditions:

- It is related to the products and services offered by the intermediary or the insurance undertaking and the training will enhance the professional capacity of the trainee.
- The duration of the training can be measured in a number of hours.

4. In case the training is offered by the insurance undertaking, then the insurance undertaking takes the appropriate measures to ensure that it can be certified that the participants are present. This may mean, among other things, taking an exam at the end of the presentation or asking questions during the presentation.

5. In accordance with Regulation 33 of the Regulations, the Superintendent may, after taking into account the opinion of the Insurance Advisory Committee, decide whether a particular program and / or training organization is unsuitable for the purposes of CPDs. This includes programs offered by insurance undertakings. If a specific program is deemed unsuitable, the CPD hours credited to the intermediary or employee are automatically canceled. If this happens and as the case may be, the intermediary/employee may be given a reasonable period of time to make up for the hours deleted.

6. The intermediary, both for himself and for his employees should make certain that he maintains a satisfactory level of performance, which corresponds to the role he plays in the relevant market and possesses on a continuous basis the minimum knowledge and skills of the Sixth Appendix of the Law.

## 5 Archiving and proof

1. Pursuant to Regulation 38 (1) (c) of the Regulations all insurance intermediaries as well as insurance undertakings, both for themselves and their employees, are required to maintain a register and keep all appropriate evidence of CPDs, so that they can demonstrate compliance with the requirements for CPDs.

2. The above register should be prepared annually and if and when requested to be submitted to the Superintendent. The following information should be kept in this register as a minimum:

(1) the name of the intermediary or employee;

(2) date of employment;

- (3) year of the reporting;
  - (4) the provider of the CPD;
  - (5) title of education;
  - (6) hours of training;
  - (7) category of CPD (product or other).
3. The above information should be kept for a minimum of six (6) years.

## 6 Special considerations

1. The number of hours credited as training will be calculated on an hourly basis. One unit of CPD will be earned for each training hour.
2. In case in a specific year, the intermediary covers more than the required hours of CPD's, carrying forward to the following year is allowed up to a percentage of 25% of the total required hours.
3. In any event at the end of each year the intermediary should complete the required units of CPDs. In case the required CPD units are not completed, this constitutes a violation of the Law and the Regulations.
4. In the event that an employee of an insurance undertaking or an insurance intermediary undertaking changes employer, the new employer should take into account the CPDs acquired during his previous employment. The new employer will only be able to consider CPDs for which he has the appropriate information to certify their completion in the current year.
5. The CPDs can be covered either in person or online. In case the training is done online, a mechanism should be applied for certification of the presence of the participants by the instructor.

## 7 Violation of the Orders

1. Failure of the intermediary to complete the required hours of CPD for each year constitutes a violation of the Law.
2. Declaration of false information regarding the training hours of the intermediary, or in case the authenticity of the training certificates is not verified constitutes a violation of the Law.
3. In case of a violation of the Law or the Regulations, the Superintendent has the following powers:
  - According to article 394L of the Law, to impose an administrative fine, depending on the seriousness of the violation up to € 100,000 euros, in case of a natural person and up to € 500,000 euros in case of a legal entity.
  - According to article 394 of the Law to proceed with the deletion of the intermediary from the Register.