

Notice No : **MAS 117**
Issue Date : **26 January 2004**

**TRAINING AND COMPETENCY REQUIREMENT: HEALTH INSURANCE
MODULE**

Introduction

1. This Notice is issued pursuant to sections 35TA and 64(2) of the Insurance Act (Cap. 142) [“the Act”] and—

- (a) applies to—
 - (i) a direct insurer;
 - (ii) a direct insurance broker;
 - (iii) an exempt direct insurance broker;
 - (iv) a licensed financial adviser; or
 - (v) an exempt financial adviser,

which carries on a business in relation to health insurance products, whether or not it carries on any other business; and

- (b) applies to—
 - (i) any person employed by or who act as an insurance agent for a direct insurer;
 - (ii) any person employed by or who act for a direct insurance broker or an exempt direct insurance broker; or
 - (iii) any person employed by or who act as a representative for a licensed financial adviser or an exempt financial adviser,

who provides advice on or arranges contracts of insurance or both, in respect of health insurance products.

Definitions

2. For the purpose of this Notice—

“exempt financial adviser” means a person exempt from holding a financial adviser’s licence under section 23(1)(a) to (e) of the Financial Advisers Act (Cap. 110);

“exempt direct insurance broker” means a person exempt from registration as a direct insurance broker under section 35ZN(1)(a) to (ea) of the Act; and

“health insurance product” means a life policy with accident and health benefits or an accident and health policy, but excludes such policy where accident and health benefits are paid out only—

- (a) in the event of an injury to, or disability of, the insured as a result of an accident;
- (b) in the event that the insured becomes total and permanently disabled;
- (c) on the death of the insured by accidental cause; or
- (d) on the occurrence of a combination of the events set out in (a) to (c).

3. The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same respective meanings as in the Act.

Requirements to pass the health insurance module

4. Any individual—

- (a) who—
 - (i) is employed by or acts as an insurance agent for a direct insurer;
 - (ii) is employed by or acts for a direct insurance broker or an exempt direct insurance broker; or
 - (iii) is employed by or acts as a representative for a licensed financial adviser or an exempt financial adviser;

and

- (b) who wishes to provide advice on or arrange contracts of insurance or both, in respect of health insurance products,

is required to pass the health insurance module conducted by the Singapore College of Insurance (SCI).

5. A direct insurer, a direct insurance broker, an exempt direct insurance broker, a licensed financial adviser or an exempt financial adviser shall ensure that any individual

it employs or, where applicable, who acts as its insurance agent or representative complies with the requirement in paragraph 4.

Exclusion

6. Any individual—

- (a) who, prior to 1 January 2002,—
 - (i) is employed by or acts as an insurance agent for a direct insurer; or
 - (ii) is employed by or acts for a direct insurance broker or an exempt direct insurance brokers;

and

- (b) who had been providing advice or arranging contracts of insurance or both, in respect of health insurance products that contain what is commonly known as critical illness benefit as the only accident and health benefits in the product,

is not required to comply with the requirement in paragraph 4 if he has completed a non-examinable course on critical illness insurance conducted by SCI or an approved in-house course covering SCI's syllabus on critical illness insurance by 1 July 2002.

7. Any individual—

- (a) who, —
 - (i) is employed by or acts as an insurance agent for a direct insurer;
 - (ii) is employed by or acts for a direct insurance broker or an exempt direct insurance brokers;
 - (iii) is employed by or acts as a representative for a licensed financial adviser or an exempt financial adviser;

and

- (b) who provides advice on or arranges contracts of insurance or both, in respect of health insurance products that contain what are commonly known as critical illness benefit or hospital income benefit or both, as the only accident and health benefits in the product,

is not required to comply with the requirement in paragraph 4 if he has obtained passes in any of the following modules:

- (i) Certificate in General Insurance - Basic Insurance Concepts & Principles and Personal General Insurance;

- (ii) Capital Markets & Financial Advisory Services Module 9: Life Insurance and Investment-Linked Policies.

[MAS 117 (Amendment) 2004, wef 13 Feb 2004]

Additional requirements

8. A direct insurer shall not accept any business in respect of any health insurance product from any individual whom it employs or who acts as its insurance agent and who has not complied with the requirement in paragraph 4 and does not fall under paragraph 6 or 7 of this Notice.

9. A direct insurance broker, an exempt direct insurance broker, a licensed financial adviser or an exempt financial adviser shall not pass on any business in respect of any health insurance product to an insurer if it is received from any individual whom it employs or, where applicable, who acts for it or act as its representative, and who has not complied with the requirement in paragraph 4 and does not fall under paragraph 6 or 7 of this Notice.

Contravention of requirements imposed

10. Contravention of any requirement imposed under this Notice is an offence and attracts the penalty specified in section 55(2) of the Act.

Commencement and cancellation

11. This Notice shall take effect on 26 January 2004. Notice MAS 117 on “Training and Competency Requirement: Health Insurance Module” dated 31 December 2002 is cancelled.