

LIFT Group Whitepaper

TOWARD A BETTER INDUSTRY

TRAINING AND CAREER PATHS IN LIFE INSURANCE



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Introduction

It is an unwelcome irony that the life insurance industry has never been more relevant to average Australians than it is currently, but it has also never been subject to such intense scrutiny and comprehensive (and at times embittered) criticism in sections of the media.

The industry as a whole should see the intense level of interest in what it is doing as an opportunity to take stock, recognise that scrutiny is an inseparable part of being important to its customers, and acknowledge that this is going to be a feature of the future landscape if it wants to continue to be relevant.

Ideally, the industry will not react negatively to the attention it receives, but will engage positively with critics and in doing so, remind its customers of the significant value it gives back to the community and demonstrate how it will take steps to become even better in accomplishing its mission to help re-build lives and give people peace of mind in the future.

Against this backdrop, TurksLegal's LIFT group puts forward "Toward a Better Industry - Training and Career Paths in Life Insurance" which offers insights on current industry recruitment and training practices as perceived by members of this group.

This paper presents the collective thoughts of young industry leaders and expert panel members and seeks to provoke debate and encourage stakeholders to take practical steps to build a better industry by growing the skills and quality of its workforce, particularly in claims.

About LIFT

AN OPPORTUNITY FOR TOMORROW'S LEADERS TO BE HEARD TODAY

In 2016, to mark the tenth anniversary of the ALUCA TurksLegal scholarship, TurksLegal launched the "Life Insurance Future Thinking" (LIFT) Alumni program intended to give the industry leaders of tomorrow an opportunity and a platform to be heard today.

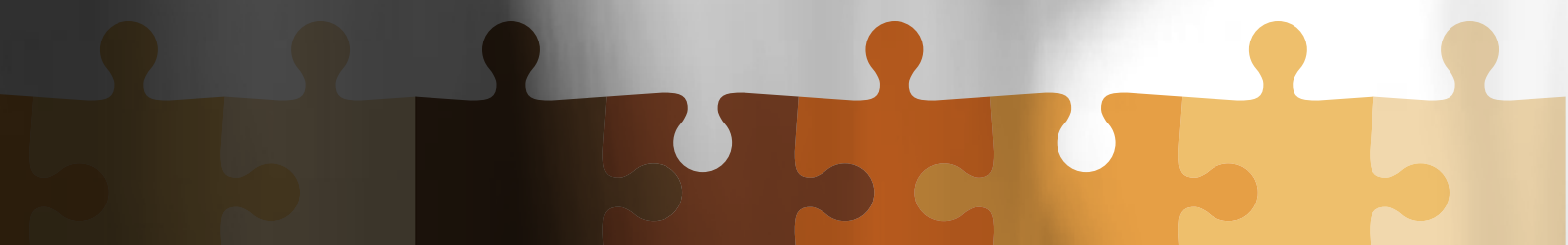
Australia has a mature and sophisticated financial services sector in which there is a rich seam of talented and committed individuals from whom we rarely hear. The ALUCA TurksLegal Scholarship undoubtedly continues to provide an outlet for some of this future thinking.

LIFT builds on this tradition by bringing together people at the coal face – the claims specialists, rehabilitation experts, product designers, team leaders – those on the journey to leadership or those

who simply have great ideas about how to better the industry to contribute those ideas to encourage change and find new ways forward.

LIFT joins together the winners and runners up of the ALUCA TurksLegal Scholarship since 2007 to connect, discuss and share ideas that will beneficially affect the future of the life insurance industry. This talented group of forward thinking life insurance professionals comes together once a year in person and meets regularly online in our LIFT Online community to discuss and raise solutions to topical industry issues.

In the light of subsequent events in the media this is a timely opportunity to consider how we can build a better industry.



Our inaugural LIFT Roundtable event

On 24 February 2016, we held the inaugural LIFT Roundtable event at the TurksLegal Sydney offices during which the LIFT group discussed the topic of growing the next generation of life insurance professionals.

▶ There were 12 LIFT members present from a broad range of organisations and roles, including:



Elizabeth McCarthy-Jones
ANZ



Margaret Dennis
Asteron



Lara Neate
BT Financial



Julie-Ann MacCormick
CBA



Elizabeth Haddow-Allen
CommInsure



Eric Liao
CommInsure



Andrew Prichard
MunichRe



Stephanie Catalucci
NAB



Michael Richardson
RGA



Linda Winterbottom
RGA



Nick Mingo
SwissRe



Natalie Agnoletto
TAL

▶ Accompanying the LIFT members was the following group of esteemed industry leaders, handpicked on the basis of their knowledge and practical expertise in the area of training and leadership. The session was facilitated by John Myatt, Head of Financial Services at TurksLegal and ran as a two hour workshop where panel members sat alongside LIFT members to encourage open discussion and ideas.



John O'Leary
Executive Officer,
ALUCA



Prue Willsford
CEO, ANZIIF



Mary Maini
General Manager
Claims, TAL



Alph Edwards
Partner, TurksLegal



John Myatt
Partner, TurksLegal



Toward a Better Industry

TRAINING AND CAREER PATHS IN LIFE INSURANCE

The following paper presents the collective thoughts of the LIFT group - young industry leaders and expert panel members - and seeks to provoke debate and encourage stakeholders to take practical steps to build a better life insurance industry by growing the skills and quality of its whole workforce, particularly in claims.

Unravelling the problem

INITIAL ENGAGEMENT WITH JOB SEEKERS – A BRANDING ISSUE?

While the industry does not seem to struggle to find adequate numbers of new entrants from among school leavers and graduates, there have been limited attempts by the industry to create a collective image around itself as an employer of choice.

Specialists, such as health care professionals and people with management or legal qualifications, are hired in “ready-made” with the tertiary training and vocational experience that fit them for these roles.

However, people who ultimately take on core insurance roles, such as new business, underwriting and claims tend to “fall into” the industry rather than pursue employment in the sector as a career goal that they have worked towards through school and subsequently university or other tertiary courses of study.

This is ironic as employment in the life insurance industry in these core insurance roles is:

- Challenging, dynamic and well paid;
- Can create opportunities for travel overseas as a result of the international recognition Australian industry enjoys; and
- Has at its heart a “noble purpose”.

In short, the life insurance sector has a lot to offer job seekers and by better marketing this list of draw cards, it could attract very high quality recruits, particularly if the industry were to have the right connections with educational institutions and if more people were aware of these benefits when they made career choices.

Attracting fresh talent and increasing the calibre of job seekers looking to initially enter the industry will result in better insurance professionals eventually working in customer facing roles as well as in better managers and future leaders down the line.

Notably missing from the list of what the industry has to offer recruits is transferable qualifications and career paths based on industry wide recognition of the valuable skills they represent. This missing ingredient may well be a significant reason as to why people do not see insurance as a career choice in the first place.

Inversely, one reason the industry struggles with the idea of formal career paths for employees may be that people currently in the industry never planned to be there to begin with and there is no model to draw on. This suggests that to move to a better position we need to break the cycle.

Transitioning from within

While initial recruitment could be done better, the more serious issue the industry currently faces is in placing people in more sophisticated managerial roles within organisations. Practically this means sourcing people with the right skill sets from within organisations and finding the best way to transition them.

This is a particularly acute problem in claims teams but is also an issue for other “core insurance” functions, such as underwriting, where the underwriting of lower value cases has been mechanised through on line applications and rule engines.

Claims used to be viewed as a back office function and didn't get much attention or support compared to customer facing roles that were seen as more directly tied to revenue.

This regulatory interest in what the claims team is doing is only likely to grow...

In the past 3-4 years things have changed. Claims has become more generally recognised as having a pivotal role in customer relations and the customer experience. The claims role has also become deeper; more business critical, more multifaceted and subject to greater regulator attention. The industry needs to up-skill its people to better navigate this more complex environment.

The claims team is also the interface with other specialist technical roles - rehabilitation, forensic accounting, medical and vocational assessment, and in-house and external lawyers for instance, so claims people need to be able to understand how to effectively deploy and coordinate these other specialists.

This trend has been given further impetus in the group life sector through regulator activity with the advent of SPS 250 in 2012. This Prudential Standard required superannuation trustees to have in place an insurance management framework which requires them to document the process for monitoring and reviewing the administration of insurance including underwriting and claims assessment.

This regulatory interest in what the claims team is doing is only likely to grow as a result of more exacting educational standards being required of advisors and increased opportunities for regulatory intervention in the management of claims¹. The FSC has also promised that the Life Insurance Code of Practice, due to commence in July 2016, will “commit life insurers to strong standards of customer service, and will enhance consumer protections in the key areas of underwriting and claims.”²

¹ Section 14 A of the Insurance Contracts Act (1984) (“ICA”) was added in 2013 to make a breach of the duty of good faith in the handling or settlement of a claim or potential claim a reportable matter with potential consequences for the insurer's licence. In the same tranche of amendments ASIC acquired the power to intervene in civil proceedings where there is a breach of the ICA. FSC Media Release 9 March 2016.

² FSC Media Release 9 March 2016.

Creating mobility of talent and useful experience across the workforce is a huge issue if we want to create flexible, transferable competencies that will sustain companies in the longer term. One of the key benefits of such a flexible and highly skilled workforce would be the pool of management talent that could be drawn from it, already well versed in core insurance fundamentals.

The establishment of career paths through this pool based on skills acquired through training would pull talented and ambitious individuals along these pathways toward higher career goals, more responsibility and larger rewards. The industry needs leaders like this as part of the mix in higher management because they know about insurance and have an instinctive feel for what does and doesn't work at a practical level.

The Great Divide – Leadership, Recruitment and Learning & Development

In many organisations, leadership and development strategy and frameworks are centralised within the HR / People and Culture area while technical learning & development operate separately, reporting to the relevant business unit or service area and working closely with the function they support. This model of course can vary according to the organisation's strategic direction.

While this model offers effective support to the business units relevant to their particular technical skills, it can also create a divide between the overall people strategy of the organisation and how training fits within it.

One of the interesting dynamics around this issue is the interplay between what management perceive to be the company's needs, how recruitment managers go about filling that brief and how both engage with company's training providers (both internal and external).

Once identified by management, roles are quickly filled by recruitment managers with a brief regularly more heavily focused on technical skills than on customer service skills, and they often recruit externally to meet their immediate needs. In doing this the company's own staff development programs can be disenfranchised from having a role in developing the pool of talent the company needs in the long term. It also means that the shift to a customer focused capability will generally take longer.

At the same time, it seems that there is currently too much focus on time served in the role rather than on the skills that a person may need and have to be able to objectively demonstrate competency in order to progress.

The failure to connect learning and development to a career path actually discourages employees from taking existing training seriously.

The focus on time served is unhelpful on a couple of levels. How long someone has been in a role is not necessarily a guide to good performance and is certainly not likely to drive continuous improvement. Secondly, it creates the impression that the pathway to leadership is a long and haphazard one that is unrelated to educational attainment.

As a consequence, the failure to connect learning and development to a career path actually discourages employees from taking existing training seriously because it doesn't have relevance to progression within the organisation.



Over time this is actually detrimental to companies.

In the claims team for example, this creates a significant gap to transition for claims people becoming managers and the combination of focus on time spent in the role and absence of a requirement for some formal qualification ensures there is limited succession between these roles.

The limited succession into more managerial positions effectively dilutes actual claims expertise at the top.

This is not to say moving technical training out of the business area and into a centralised location is the solution. The issue with the centralisation of the technical learning and development team can be that it can become too far removed from the day to day needs of the business area and is no longer in a position to see what specific learning and development is needed to support the business. It is true to say that neither model is perfect; a successful learning and development model is a balancing act.

The industry doesn't work together; it competes

One of the factors that militate against the industry achieving a better model is (ironically) the "war for talent".

Currently there is a perceived difficulty in developing people with the right skills into middle and upper claims management roles and similar problems identifying the training that is necessary to facilitate this.

This problem is exacerbated by a level of concern within some companies that if they provide training they will simply be upskilling staff in order for them to be poached by their competitors, whose overheads are leaner because they did not pay for this training in the first place.

This has the potential to create a vicious cycle of inadequate training and spiralling recruitment costs that only becomes apparent over time. Arguably, this has been the prevalent model in the sector for several years and the impact of this behaviour across the industry is only now beginning to be recognised and challenged by some companies. Ultimately, this cycle is detrimental to the long-term sustainability of the industry both in terms of its cost structures and to the customer experience it generates, and this needs to be actively reversed at an industry level.

The life insurance industry in Australia has grown enormously since 1970³.

³ By way of example, premiums from new policies sold in Australia rose from \$319 million in 1950 to \$1,600 million in 1960 had reached \$6,209 million by 1970. See "Adaptation and change in the Australian life insurance industry: An historical perspective by Monica Keneley School of Economics Deakin University. By 2013 the industry accounted for \$11 billion in premiums annually and was growing at 10% per annum on average. The group sector was growing by more than 15% - Over View Of The Australian Life Insurance And Wealth Management Sector, Clive Levinthal Actuaries Institute Summit 2013.

Some companies give recruits a solid induction upon entry into the industry but at this point long-term learning and development fall away.

Over the same period technology has reduced the number of simple processing jobs, both in underwriting and claims which have been replaced with more complex and technically demanding roles.

Due to the “living insurance” products that have been evolving through that period, (income protection, TPD and trauma) product suites have expanded and claims have grown in parallel, not only in volume but also in complexity and duration. Anecdotally, since the mid 1980’s the claims departments of major insurers have grown from a few individuals to hundreds.

This growth in the industry and the need for staff to take on more complex roles has almost certainly had an impact on competition for skilled employees.

One of the major responses to the sheer volume and complexity of claims has been to “hire in” the required skills, so the ranks of the industry have been supplemented by allied health professionals such as nurses, rehabilitation specialists, physiotherapists, psychologists and occupational therapists. More recently the industry has sought to source people with a background in personal injury claims management from the general insurance industry, particularly workers compensation.

This has undoubtedly been beneficial, as these skills are integral to the claims team and did not previously exist in the industry’s workforce. However, arguably what companies have also done, as well as looking for new skills and fresh approaches, is to find a “quick fix” to meet the demand to fill new roles with people with readymade skills. This has contributed to the disruption of existing career pathways within the industry and has tended to shift the focus from technical skills acquired through core insurance training.

Continuing competition between companies for people driven by the short term need for staff will perpetuate this situation and this ongoing pressure is unlikely to make the industry “self-righting”.

This suggests that in looking for a solution the best starting point is probably not just going to be at the individual company level, where competition with its rivals in the market place is likely to continue to drive behaviour based on short term needs. Some external intervention is clearly needed to rebalance the playing field in favour of long-term sustainability.

Is Learning and Development failing us?

The type of learning and development on offer has a critical part to play in whether it is going to be useful in helping to build career paths.

Some companies give recruits a solid induction upon entry into the industry but at this point long-term learning and development fall away. Staff development programs in these companies have been a casualty in the “war for talent” because they have ceased to be the prime means of preparing for succession into higher roles. As a result, these programs are not being designed to supply the long term need for skilled staff.

Instead they have tended to become “band aids” with a short term focus, responding to the specific skill gaps that are identified in particular teams from time to time, or simply to supply the basic knowledge required to carry out the current role.

Learning and development of this kind is more about keeping people in a particular role rather than readying them for potential transition to another, so while it is a positive thing for companies to do and worthwhile in helping an individual company do things better, it doesn’t really represent a full investment in its people either.

Learning & development designed with this narrow emphasis will not be much use in helping companies construct an overall career pathway that will make employees “business ready” with transferrable skills on top of specific subject area knowledge. Once again, this creates a cycle by which learning & development is ignored in proofing the organisation against long term skill shortages.

While some of the reasons for this have just been outlined, one aspect of this disconnect hasn’t been discussed yet. That is why company based learning & development no longer generally aspires to do more than this? There don’t seem to be clear-cut answers for this question.

Given that management shapes companies’ responses to the market, it seems reasonable to suggest that while many companies may have the integration of training, long term staffing needs and recruitment strategy on the management agenda, not enough is being done about this or their efforts may not be having enough of an impact.

There are signs that attitudes are changing⁴ however recognition of the issue in the industry appears to be patchy and non-existent among industry bodies (such as the FSC) or government regulators.

There are a great many practical problems to be addressed if the current shape of training offered by the industry is going to be adapted, so it can both remedy skill gaps in core competencies in specialist areas and also create a framework for flexible, transferable competencies that will give companies a potentially mobile pool of management talent across the workforce⁵.

However, neither external training organisations, nor internal trainers will begin to address those problems if management has not put finding a solution to them on the agenda in the first place. This requires management to understand the problem and the potential upside in solving it, as well as being willing to invest resources in a solution, rather than simply going on with the status quo.

What is clear is that training designed to create flexible, transferable competencies that will sustain companies in the longer term doesn’t work unless it is hard wired into career pathways. One of the preconditions for this to happen is that training, long term staffing needs and recruitment strategy needs to be seen holistically by companies so that their responses in each of these areas are integrated.

This is one of the starting points for the solutions suggested by the LIFT group.

⁴ Some organisations have begun cadetships and ALUCA has begun a system of company training accreditation that has been growing. Specialist educators such as The Personal Injury Education Foundation (“PIEF”) have also been established and focus on the educational needs of those working in the broader personal injury management industry. ANZIIF offers accreditation, well-respected courses in insurance fundamentals and talent development programs. As a registered training organisation specifically focussed on the insurance industry it has an industry wide perspective, but currently is perceived to have a higher profile in the general insurance industry than in life insurance, which is allied to financial services.

⁵ Some of the problems the group recognised were: How you coordinate a training program that incorporates all the requisite aspects? Can an organisation have sufficient breadth in its training to address everything adequately? Should there not be various specialists training people? How do we take leadership to the table not just technical skills?



Toward a solution

If the industry wants to guarantee its long-term sustainability, there needs to be a realisation by all stakeholders, that the skills' base of its workforce is a fundamental part of that agenda, on the same level of importance as the more obvious elements which are regularly debated, such as product design, prudential financial management and capital adequacy.

Perhaps the most important outcome of the LIFT group's exploration of this topic is that this largely invisible aspect of sustainability has not been examined in a sufficiently critical way before, and has, in fact, gone unrecognised or ignored for too long by boards, CEOs, managers, industry and professional associations and regulators.

The LIFT group believes recruitment, learning and development and its connection with career paths in the industry needs to be successfully addressed if the industry wants to serve its current and future customers effectively. The group also believes this goal is capable of being achieved for a relatively small investment.

How important are these issues?

The model that we have depicted is a cycle in which external recruitment has significantly replaced internal promotion based on accredited skills. This has had the unintended consequence of reducing company based learning

& development to a knowledge “band aid” for the person’s current job, rather than strategically equipping the workforce to be ready to transition to more complex managerial roles.

These responses have probably also increased industry recruitment costs which has gradually had a detrimental impact on salary overheads and hence sustainability over time.

The industry needs to break this cycle but is unlikely to be “self-righting” which suggests some form of fundamental correction needs to occur within the industry at multiple levels. Accomplishing this change begins with recognition of the problem both inside companies and externally, in wider industry forums and among regulators.

For all industry stakeholders, change has a common starting point – a thoughtful review of the current state of learning & development in the industry and the forces which have shaped the present skill’s landscape in life insurance.

At a company level, it should be taken up as an urgent concern by higher management to get the right people together to actively think about whether the organisation is getting the most long term benefit out of its investment in people, or whether the return on that investment is being lost.

Some companies are clearly already leading the way in this process, but where it hasn’t begun yet companies urgently need to become engaged. Where it is happening, there is certainly more that can be done to expedite outcomes.

Recognition that the current cycle is detrimental to the long term sustainability of the industry should drive industry associations, regulators and individual companies to rebalance the playing field.

Competition between companies for people driven by the short term need for staff is likely to continue in the foreseeable future and will not disappear from the landscape.

The challenge individual companies and the industry face collectively, is to manage these short term pressures in a way that will also nurture a pool of talent within the company with accredited “core insurance” skills, from which future managers can be drawn.

1. Initial Recruitment: The first step to a better workforce

While the industry may currently be able to find sufficient raw numbers of new entrants, the LIFT group believes it should also be attempting to build a profile around itself as an employer of choice as an integral part of building a better workforce for the future.

As an employer of choice the life industry will be more attractive to the best graduates and school leavers who will form the core of its long term talent pool.

The message

The life insurance industry has the raw materials to be an employer of choice; it offers challenging, well paid roles and has as its heart a socially useful purpose. However, it has not sought to leverage these strengths and is subsequently not well recognised in the wider community for these things. We should be promoting these strengths to potential recruits by:

- Positioning people working within the industry as professionals.
- Showcasing the life insurance industry as a truly worldwide industry with professional skills that are globally transferable.
- Demonstrating that life insurance is forward thinking and dynamic, using innovative technologies.

- Reminding job seekers of the contribution the industry makes to putting people’s lives back in order. Giving people confidence and peace of mind that a career as an insurance professional has at its heart a “noble” purpose.

Increasing exposure at tertiary institutions and high schools

An important part of any initial recruitment platform is building grassroots’ connections with schools and universities to impart its messages so the industry is closer to potential job candidates early, when career ideas are more malleable.

By making a connection with educational institutions at the time people are making important career choices, the life industry leverages the early opportunity to inform large numbers of Australians of its socially useful role, getting these messages out at the time when young people are transitioning to employment.

There are a number of specific steps the group thought should be taken.

- To increase the level of awareness of the industry among high school age students ANZIIF currently has its “Why Risk It?” program for schools which aims to assist teachers to develop financial literacy and foster interest in insurance careers among school leavers. Since its launch, over 900 Australian schools have taught “Why Risk It?” However, to date the life industry has not sought to play a role in influencing career choices through this or similar school based programs.
- Higher education presents the industry with many other possibilities for getting helpful messages to students, from presenting at graduate fairs and intern programs to on campus careers expos and targeted emailing.
- The industry can also work more closely with institutions that provide specialised insurance training, such as the Bachelor of Business (Insurance) degree offered by Charles Sturt University, by contributing to course content and greater engagement with students during their degree and offering preferential placement of graduates and internships.
- The industry needs to be better represented and more visible at the institutions where allied health professionals receive their training, so that it is in a position to offer graduates insight into how the courses they have completed might bring them to a career in the life insurance industry.

Careers websites

The group looked at a number of initiatives that had been taken by the insurance industry in the UK to engage with young job seekers and people just entering the workforce.

One of these sites presented video testimonials from young people currently working in the insurance industry who talked candidly about their roles and their career journey so far, giving graduates a taste of what a career in the industry had to offer.

There is no reason the Australian life industry could not seek to present career opportunities in a similar way using our own people and their own experiences to present the messages we have discussed.

The LIFT forum took place just before ANZIIF launched its own insurance careers website “Careers in Insurance - Go Anywhere do Anything” which is intended to meet many of the same objectives as the UK sites.

However, at the time of its launch, with the exception of certain major players, ANZIIF was still to obtain support from any of the large life industry players for this project. So, despite the fact there is now an Australian insurance careers website, many of the most significant players in the life insurance industry are so far unrepresented.

The strategy in evidence at ANZIIF’s “Careers in Insurance” website is to focus on selling the emotional positives of the industry’s mission in a way that is consistent with the messages we outlined earlier, rather than

Telling the insurance story through broader based advertising provides a good model for building excitement...

labouring particular job descriptions or roles, though there is a good deal of practical information available on the site as well.

The industry could have more ambitious plans. The group thought there was also a role for ultimately spreading its messages by other means and telling the insurance story through broader based advertising similar to the CPA/ AIM ads which provide a good model for building excitement and the notion of global mobility, great opportunities and professionalism.

2. Training and Career Paths

The LIFT group believes that establishing documented career pathways through the industry based on accredited skills acquired through training and education is critical if the industry is going to attract and grow the pool of talent the financial services sector needs. It seems unlikely for instance, that the industry could legitimately seek to position its people as professionals without enforcing a requirement for professional training and accreditation for key customer facing roles.

A requirement for professional learning and development will result in better skilled people with a more structured understanding of their current roles and responsibilities and ultimately better managers and future leaders down the line. This goal is, of course, mutually beneficial for everyone: employers, employees and customers, as a better and more professional workforce will result in a better product and customer experience and hence in time, in a more sustainable industry.

It will also assist in retention and succession planning for organisations; creating a perception of professionalism which will increase an individual's job satisfaction keeping them in the industry and in the organisation for longer, thus preserving the industry's skills base.

The changing face of education

Now is a good time to begin, as the potentially changing nature and growing cost of education is likely to create more opportunities for vocational industry based training.

There have recently been debates about the deregulation of university fees and the government selling the future stream of HECS debt repayments to the private sector. Against the current background of further gaps emerging in the Federal budget, it seems inevitable that at some point existing arrangements will change in a way which may significantly impact on the cost of higher education to students.

Cost increases when they occur will favour industries that have already made provision for the training they need as part of an organised program of vocational learning linked to apprenticeships and cadetships and supported with further levels of certification for more senior employees that go on learning in the workplace.

Putting these structures in place in the life industry will empower it to succeed in the war for talent as job seekers will be attracted to employment opportunities that enable them to work and earn qualifications on the job which will benefit their future career prospects.

Some far sighted companies are already taking initiatives with cadet programs, particularly in claims. However, the value of the training these companies offer would be greatly enhanced, not only in the eyes of the participants themselves, but also to the industry as a whole, by it resulting in accreditation that enjoyed industry wide recognition.

Accreditation and achievement

If training in the industry is indeed failing us (at best, a "knowledge band aid" to be applied to an individual's current role and at worst irrelevant and a waste of time), there are ways to address this.

The most valuable form of accreditation is the one which enjoys the widest recognition and will form the basis for achieving an individual's career goal.

It is our opinion that the industry needs to recognise that effective learning & development, broadly accepted accreditation and resulting career goal achievement are inextricably linked and interdependent, so that if one element is not present the others will cease to work.

Training provided within the industry needs to result in accreditation and the industry needs to agree on universally recognised levels of accreditation required to achieve progress towards a career goal.

The task of fully imagining an industry wide system of training, and accreditation and how it should be linked to progress towards career goals is beyond the objectives and format of the LIFT group and better taken on by a diverse body of representative industry stakeholders.

However, we think it may be helpful to offer our thoughts about some of the essential features such a scheme should include:

- At all levels and in addition to the requisite technical knowledge, accreditation should provide an assurance that the required training has provided participants with a grounding in appropriate professional ethics and customer oriented behaviour.
- Accreditation should be progressive and achievement of a level of accreditation should provide the essential knowledge base for the succeeding level of achievement.
- Accreditation would certainly recognise experience but this would by no means be the entire picture.
- Higher qualifications can focus on more complex technical requirements in "core" insurance roles such as claims, underwriting customer service etc. but must also include preparation for management to equip participants with the necessary "soft" skills to make them ready for progression.
- The system of accreditation must be recognised and supported by the life insurance membership base of the FSC who agree to use it as an essential requirement for designated advertised roles. Ideally, means to seek wider international recognition should be considered.
- That the life insurance membership base of the FSC agrees that employees working in designated roles must have attained or are currently working toward the appropriate accreditation and companies actively monitor and police this requirement.

Some far sighted companies are already taking initiatives with cadet programs, particularly in claims.

- That employers fund the cost of approved training for employees that they agree they need to acquire a higher level of accreditation to work in a role.

The type of scheme that we envisage would run in tandem with the company's own cadetship programs which would ideally include individual mentoring and career coaching and systematic rotation between operational areas.

Significant change is already occurring. Large segments of the industry have begun to understand that "The claims process is fundamental to the customer experience, when people are at their most vulnerable, so this has been a strong focus of our work in developing standards".

Through the process of creating a Code of Practice the FSC has said the industry is looking for ways to give vulnerable consumers support with the process of buying insurance or making a claim. Part of achieving this must be having better trained and appropriately qualified professionals working in these sensitive customer facing roles.

A commitment to training is built into the General Insurance Code of Practice. The Life Industry currently has the opportunity to make a similar commitment as it re-builds bridges with important parts of the Australian community through its own Code of Practice.

The industry must use this opportunity to build achievement through accreditation and all the benefits that it will bring into the heart of its processes and its relationship with its customers.

Working together

For any scheme to be effective, the process of accreditation must enjoy wide ranging acceptance and have a direct connection with the achievement of an individual's career goals wherever it is accepted. This requires the industry to reach a consensus on applicable industry standards to be implemented and it needs an appropriate forum in which this can occur.

The industry as a whole should realise the useful role learning and development and related accreditation can play in rebuilding the communities' confidence in the industry and ensure that it brings this commitment into the heart of the processes it rolls out when implementing the new Code of Practice.

More than any other single step, this action will demonstrate a real and tangible commitment to taking better care of its customers.

It could be argued that the adoption of an accreditation framework requires a degree of commitment and an absence of self-interest that is beyond the scope of an industry association and should be the responsibility of government. However, the FSC's leadership of the new Code of Practice shows that the industry is capable of taking the path of self-regulation knowing it is better for the industry's long term future than government intervention.

The adoption of the Code will create the ideal opportunity for the industry to take further ground-breaking steps to regain the confidence of its customers by committing itself to a framework which will build a better industry through an investment in its people and their learning and development.



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