



Chartered  
Chartered Insurance Institute

# Corporate Chartered Status

The next 10 years

Five ways corporate Chartered  
status is changing for the better



Abbreviations used in this publication  
CII - The Chartered Insurance Institute  
PFS - The Personal Finance Society  
CCS - corporate Chartered status

## Contents

- 2. Introduction
- 4. Executive summary
- 5. The Chartered ethos
- 6. Five ways corporate Chartered status is changing for the better
- 8. Corporate Chartered status – the first 10 years
- 12. Review - scope and methodology
- 14. Responses to proposals contained in the consultation survey (August 2018)
- 20. Executive summary of consultation response
- 32. Technical changes to the criteria



**The continuing value of corporate Chartered status was a major theme to emerge from the wide-ranging strategic review conducted by the CII in 2016, and the resulting Strategic Manifesto. It was identified as a key instrument in building public trust through our increasingly united profession. Appropriate financial planning and insurance solutions are vital for the long-term wellbeing of individuals, families and businesses – and are a key driver of financial security and resilience.**

# Public trust

Given this indispensable role for the profession, our vision is that, together, we rapidly achieve 'parity of esteem' with the established professions such as medicine, accountancy, the law and surveying. A commitment by firms of all sizes – whether insurers, insurance brokers, or financial planners – to the Chartered ethos, expressed through a shared public declaration of commitment to professional standards, is an essential step. This is a unique role that a professional body such as the CII can play, that's distinct from the role of the regulator.

Since we published our Strategic Manifesto, the CII has undertaken an extensive review of all aspects of how corporate Chartered status operates, encompassing the criteria, the application and renewal processes, and how we partner together to deliver value to all stakeholders. This has involved engagement with numerous individuals and organisations, and we're grateful to all those who have participated, including everyone who responded to our 2018 consultation.

In this document, we publish the changes we will be implementing during the years ahead – all of which are geared to ensuring corporate Chartered status remains relevant to the changing needs of consumers, professionals and society. I am hugely excited about this programme and passionate about seeing it succeed. I hope that, once you've reviewed the details, you'll share my enthusiasm and belief. Society needs

as many of us as possible to be professionals and to do what we do because we are that person and we care. No rules will make this happen. With any community there will be rules and this is right and we will always keep our rules under review. But there is a risk that the community becomes all about the rules and a never ending quest to make the rules tougher to make the community 'more so'. Our Past President John Moore put it so well. He said "Choose Chartered - *why wouldn't you?* - it's about your clients".

Change is a continuing adventure and, as we deliver these enhancements, we'll be thinking about further improvements we can make. Please don't hesitate to contact us at any time with your experiences, suggestions and observations. We look forward to the journey ahead.

With best wishes

**Sian Fisher, ACII, Chartered Insurance Practitioner**  
Chief Executive Officer  
April 2019

## Executive summary

**Our vision for corporate Chartered status involves a shared public declaration to professional standards – both from the CII (our commitments), and from Chartered firms<sup>1</sup> (your commitments).**

The Chartered ethos involves three core elements: nurturing knowledge, client-centricity and serving society. We introduced corporate Chartered in order to take the Chartered ethos from the individual to the firm level.

In its first decade, corporate Chartered status has made a major impact within the sector with more than 900 firms already enrolled and about 15% of those working in the sector being employed by Chartered firms.

Our recent review identified that stakeholders widely appreciated its value, but also highlighted areas where a different approach was necessary to remain relevant and maximise impact.



## The Chartered ethos: our vision

**Corporate Chartered status is rooted in a way of operating that we call ‘the Chartered ethos’.**

While there are many excellent insurers, brokers and financial planners that are not Chartered, corporate Chartered status involves a *public declaration* to professional standards. This declaration involves a series of commitments – made openly, transparently, and in full view of the firm’s customers and clients. These commitments include a commitment to ongoing people development, alignment of ethics and values, committing to customer-first values, supporting wider societal initiatives, and wearing the ‘Chartered badge’ with pride.

As the awarding body, the Chartered Insurance Institute is not a passive bystander – we recognise that, for corporate Chartered status to be effective, there

are a number of responsibilities and commitments that fall on our shoulders. We must provide flexible learning pathways, develop thought leadership and research, facilitate communities and drive good practice initiatives’ focused on social good, and grow public awareness of Chartered.

The inescapable result of the CII and Chartered firms both fulfilling their commitments is the reinforcement of public trust in the concept of Chartered firms. Importantly, the term ‘public’ is used here to encompass all the direct and indirect users of insurance and financial planning products and services. These can be individuals, families, startup or early stage businesses, public sector organisations, third sector bodies, or global corporations. All these stakeholders have a close interest in the sustained existence of a vibrant, customer-centric Chartered profession.

Our vision is summarised below:

### A shared public declaration of professional standards

#### Our commitment to you

- Provide relevant learning to keep you at the forefront of the profession
- Develop thought leadership to showcase Chartered expertise
- Facilitate communities that support good practice
- Drive collaboration initiatives focused on social good
- Grow public awareness of Chartered

#### The Chartered Ethos



#### Your commitment to the public

- Commit to ongoing people development
- Align ethics and values
- Commit to customer-first approach
- Support initiatives that build public trust
- Contribute to the development of the profession
- Wear the Chartered badge with pride



#### Public trust in Chartered

Together we will drive public awareness that Chartered firms:

- Are accredited by a professional body
- Display a universal badge of professionalism
- Invest in people with knowledge appropriate to their role
- Have committed to an ethical code
- Exceed minimum standards
- Commit to good practice and good customer outcomes
- Give back to society

<sup>1</sup> ‘Firm’ is used throughout this document to describe any entity that could hold Chartered status

## Five ways corporate Chartered status is changing for the better

During the years ahead, we will be focusing on five priorities to ensure corporate Chartered status is working effectively for all stakeholders:



### Enhancing value

#### Promotion

Public promotion of the value of Chartered

The CII recognises the considerable investment that Chartered firms are making in their professionalism and is committed to supporting these efforts with a more active platform of collaboration and promotion. The CII will:

- Undertake a 'core campaign' of selective advertising to raise the profile of corporate Chartered status, within our resource constraints as a professional body
- Develop a toolkit that corporate Chartered firms can use within their existing communication channels (website, policy documents, promotional materials) to raise awareness of what corporate Chartered status involves.

#### Public trust

Supporting your contribution to the development of the profession and the building of public trust

Chartered firms play a vital role in building public trust through their public commitment to professional standards. The CII recognises that it must do more to help bring the Chartered Ethos to life.

The CII will:

- Provide induction materials for Chartered firms to onboard new professionals within the framework of the Chartered ethos
- Provide ethical learning and assessment materials for Chartered firms' staff.



### Relevance to changing business models

#### Criteria

Amendments to the operation of criteria relating to divisions and appropriate management teams

The current wording of the criteria does not necessarily reflect the structures of organisations or what they mean to customers. The CII will:

- Update the definition of a 'division'
- Update the definition of an 'appropriate management team'
- Recognise comparative titles for the role of Responsible Member, provided there are sufficient Chartered titleholders within the organisation to meet the wider requirements.

Please refer to page 32 'Technical changes to criteria' for more details.

#### CFP eligibility

Amendments to the operation of the Chartered Financial Planner rules to encourage growth and new talent

The current rules can inhibit recruitment, and the rise to 50% of advisers holding the Chartered Financial Planner title in 2020 (from 25%) may have unintended consequences for existing firms making good progress towards the goal.

The CII will retain the target of 50% from 2020, however may use its discretion on a case-by-case basis where a previously qualifying firm subsequently falls beneath the criterion for a period of time.

Please refer to page 32 'Technical changes to criteria' for more details.



### Applications and renewals

#### Simplification and support

Digitalisation of the application and renewal processes, coupled with consolidation of our 'rules' documentation

Firms now expect applications and renewals to be e-enabled, exactly as occurs with insurance policies themselves. We recognise that our historic process has been cumbersome and inefficient.

- All communications are now via email rather than letter
- During 2019, the CII is investing heavily in a new Target Operating Model, affecting every aspect of our member and customer engagement, including corporate Chartered
- At present, information for firms considering corporate Chartered status applications is spread across three different documents – the Terms & Conditions, the Rules and the Guidance Notes. This causes confusion and increases the risk that key information will be overlooked. We aim to consolidate this material into a simpler document.

#### Dedicated staff and tools

Dedicated staff and tools to guide firms through the process, coupled with regular monitoring of backlogs to ensure no applications are held 'in limbo'

- We have now embedded a key performance indicator (KPI) target of the time taken to review an application and request additional information
- The KPI is a maximum of 14 days, and we are currently fully compliant.



### Effective oversight

#### Good practice

Changes to oversight arrangements to reduce unnecessary bureaucracy and focus on public trust – coupled with greater sharing of information and tools that promote good practice

We recognise the CII is not a 'regulator' but must nevertheless exert effective oversight to maintain and strengthen the credibility of corporate Chartered status to the benefit of participating firms and wider society.

- The annual review will be the primary tool used by the CII to audit information and verify compliance. The CII will be producing a range of good practice guides to support firms through the process.



### Social impact

#### Inclusion

Expansion of our criteria around 'core values and business practices' to encompass diversity and inclusion (D&I)

A focus on diversity and inclusion underpins the continuing relevance of the profession, but we recognise that practices will vary by firm size, type, location and many other factors.

- The CII will introduce an explicit reference to D&I in the corporate Chartered status criteria. As with the existing references to core values and ethics, it will be principles-based, not rules-based, and will be worded so that it can be flexible according to the situations of different firms.

“We believe CII Chartered status represents a high standard of professionalism in the industry. It demonstrates our commitment to the insurance profession, recognising our expertise, ethical conduct and development of our employees.”

Neil Clutterbuck, ACII, Chartered Insurer, Chief Underwriting Officer, Allianz

“Our team are incredibly proud to work for a chartered broker. Chartered status is not something we take for granted. We have worked hard to achieve it and now do not want to lose it!”

Stuart Rootham, Group Managing Director, Aston Lark

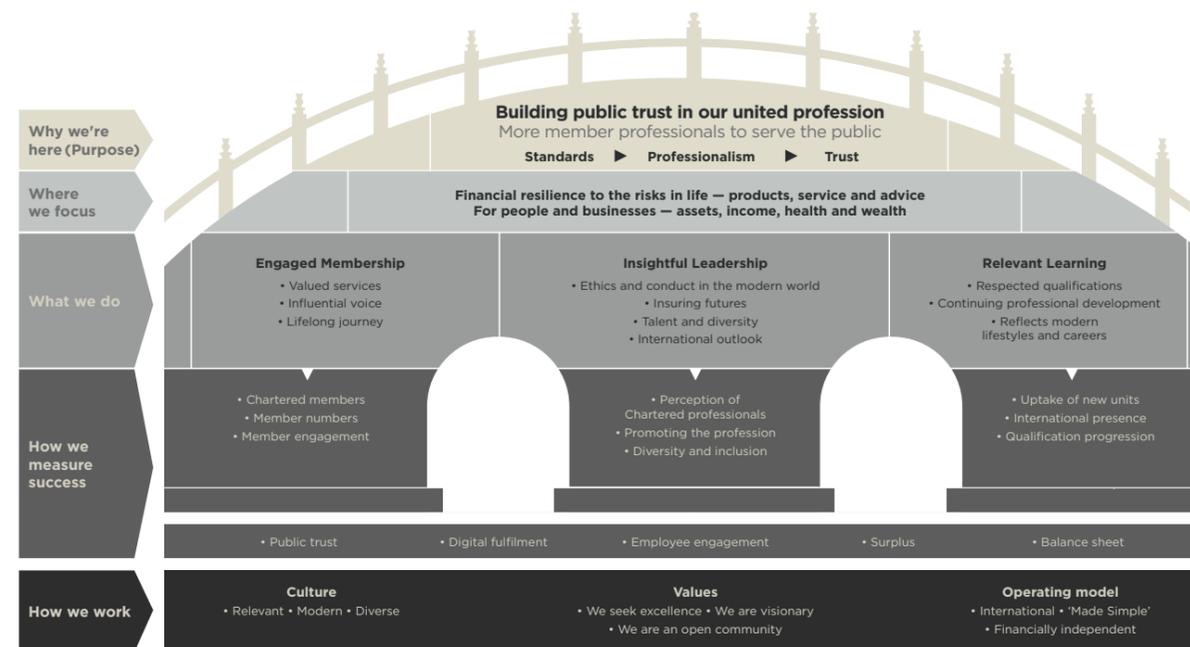
“The badge tells everyone the standards we want to uphold and shows that we are willing to be accountable.”

Peter Dixon, Practice Manager, BBI Financial Planning

## Corporate Chartered status: the first 10 years

**The CII is a professional body dedicated to building public trust in the insurance and personal finance profession. This is pursued through focusing on the three areas of standards, professionalism and trust — in products, services and advice that support financial resilience to the risks in life.**

The key elements of the strategy are summarised below.



Our purpose is enshrined in our Royal Charter, which is conferred by the Queen on the recommendation of the Privy Council, which sets out the following objectives for the professional body:

- To secure and justify confidence of the public and employers
- To promote efficiency and improvement in the practice of insurance
- To render the conduct of such business more effective and professional
- By the conduct of reliable tests of competence
- By the provision of reliable assurances of their trustworthiness
- And to provide a central organisation for those purposes.

Our power to award Chartered titles is conferred by the Privy Council. When considering requests from professional bodies to become Chartered, and to have the power to award the Chartered titles on others, the Privy Council considers a range of factors. Among the most important are that:

- The standards underpinning Chartered titles should be broadly similar across the professions
- Individual Chartered title holders should have a robust professional qualification
- Individual Chartered title holders should be practising professionals.

## Individual Chartered titles

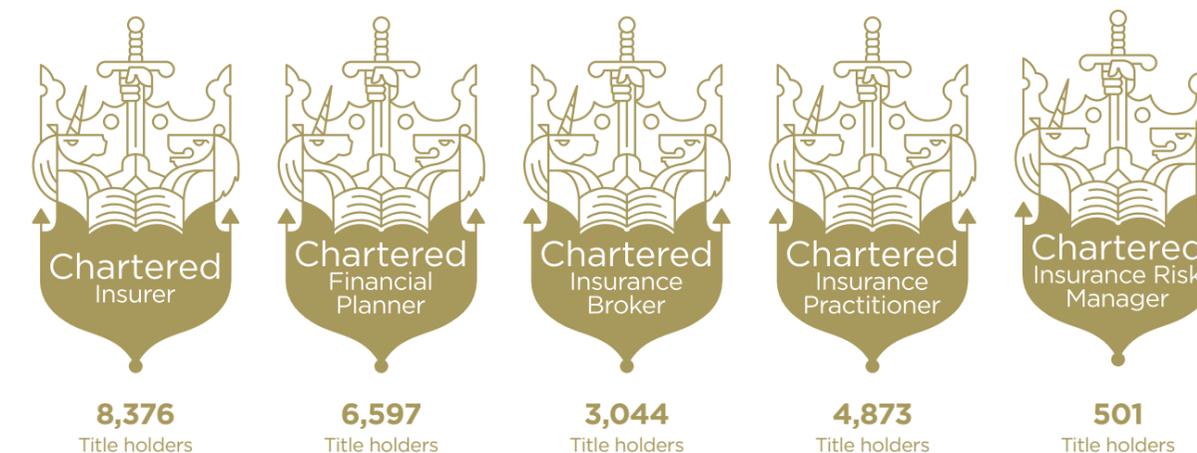
**For many years, we awarded individual Chartered titles but not corporate Chartered titles. There are five individual Chartered titles, shown below:**

In order to qualify for an individual Chartered title, an individual must hold the Advanced Diploma or Fellowship, be a member of the CII and abide by its Code of Ethics, and have at least five years' sector experience. An individual Chartered title is described as: "a symbol of technical competence and signifies a public commitment to professional standards. Attaining Chartered status is challenging and takes commitment, but it is achievable. Once attained, the status not only changes the way people respond to you, it places you amongst the top professionals within your field. Here's how Chartered sets you apart:

- Differentiation – you will join a prestigious group of members at the forefront of the profession

- Specialised knowledge – you will develop your technical knowledge through study towards CII Level 6 qualifications
- Acknowledged professionalism – Chartered status provides parity with other professions, reinforcing your credentials
- Chartered status is recognised and respected by consumers as a mark of trust."

**At the end of 2018, the number of people worldwide holding a CII individual Chartered title was 23,391**



## Corporate Chartered status: the first 10 years

### Corporate Chartered titles

**In 2006-2007, recognising that a consumer's experience and outcome can be determined by standards at a firm level, not just at an individual level, the Privy Council enabled the CII to award corporate Chartered status.**

As a result, three categories of corporate Chartered title were developed and launched:

- Chartered Insurers
- Chartered Insurance Brokers
- Chartered Financial Planners

To bring corporate Chartered into existence, we developed definitions of what factors constitute an insurer, insurance broker, and financial planning firm, as well as a series of eligibility criteria that firms must satisfy. These criteria related to governance, qualifications, core values, business practices, professional development, access and other matters. The objective was to reflect a range of factors that constitute excellence in professionalism, whether technical knowledge or behaviour and conduct.

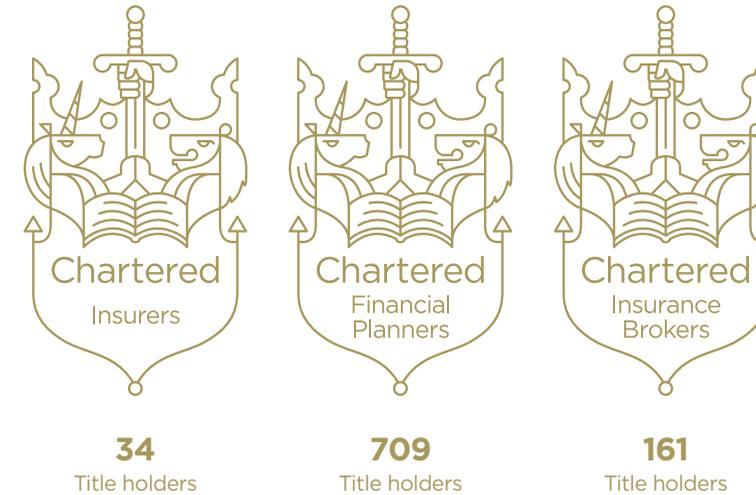
Overall, the corporate Chartered criteria sought to achieve a balance between consistency and flexibility (since professionalism can manifest itself in different ways depending on a firm's circumstances and market position), and as a result they comprise a combination of fixed and variable factors. The list below summarises the key elements:

- A minimum of one of the firm's board members must personally hold a CII Chartered title
- One of the firm's board must take on the role of Responsible Member. This person is the principal point of contact on Chartered status, with the responsibility for the application, renewal and for any related issues at any stage

- The entire board, together with a minimum of 90% of customer-facing staff, must be CII members
- Access to a Chartered professional must be available to customers
- Evidence of three years pre-application trading in a regulated environment is required
- The firm must have in place core values and business practices that align with the CII Code of Ethics
- The firm must have an appropriate professional development programme in place
- The firm must secure at least 50 points from a 'variable criteria' matrix that is primarily qualification-focused
- For the Financial Planning title: A full financial planning service must be offered, and at least 25% of advisers must be Chartered (rising to 50% in 2020).

The criteria have evolved somewhat during the past decade, and in recent years, corporate Chartered firms were required to enter into a contract with the CII in which the binding obligations of the parties became codified. One important element of the contract was to highlight the obligations on firms to share information with us and abide by the criteria and conduct requirements.

**At the end of 2018, the number of firms holding a CII corporate Chartered title was 904.**



A key aspect of the 2018 corporate Chartered consultation included a review of the application and renewal processes to identify potential improvements based on member input and feedback.

Imposing stricter deadlines to our renewal process has resulted in the removal of firms who were unable to provide required evidence of requalification.

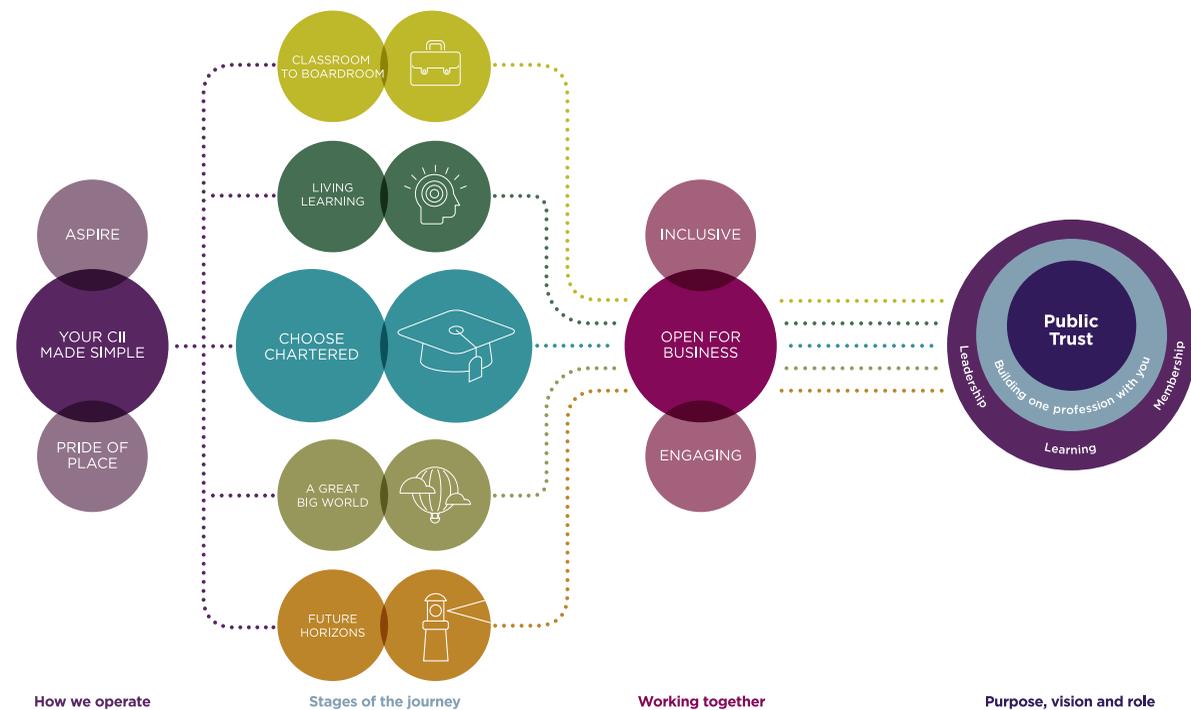
We also recognised that there were inconsistencies in the way CCS firm numbers have been calculated and reported. Due mainly to legacy system deficiencies, the number of Chartered firms reported during the course of the past 10 years have been unintentionally inflated. This has now led to a correction and appropriate re-calculation resulting in the removal of any lapsed, pending or merged firms from this number.

## Review – scope and methodology

**In the 2016 Strategic Manifesto, we committed to ensuring the corporate Chartered title – alongside other CII services – remained relevant to changing times and was accessible to a greater proportion of the profession.**

The graphic below is a reproduction of the central graphic from the Strategic Manifesto. The workstream ‘Choose Chartered’ was placed at the centre of the vital ‘Stages of the Journey’ dimension. It was one of the key connectors between ‘how we operate’ and ‘working together ... (to deliver our) purpose, vision and role’.

**Our purpose, vision and how are going to achieve our goals**



### Scope

The manifesto was the genesis of the Choose Chartered workstream, which has overseen a review of many aspects of the corporate Chartered programme. Launched in 2017, and with the bulk of the work undertaken in 2018, the scope of the review was fivefold:

- Eligibility criteria: How firms demonstrate their commitment to professionalism
- Value proposition: Do the current elements of Chartered create a valued outcome?
- Process: Addressing the application and renewal process
- Oversight: Partnering with firms to ensure professional standards are upheld

- Expansion: Opportunities to further raise awareness of Chartered in the profession and with the public.

The review benefited from contributions and insights from a wide variety of sources:

- Consultancy support
- Consumer insight
- Formal consultation process
- Bodies within the CII’s governance structure
- Other engagement activities.

The paragraphs opposite provide further details of how each of these sources was engaged.

### Methodology

#### Consultancy support

The consultancy firm Willis Towers Watson was commissioned to speak with firms throughout the marketplace – in particular, to identify any unnecessary barriers that were preventing firms from applying for (or being granted) corporate Chartered status. The WTW report identified a number of factors that related to the changing nature of corporate structures; criteria that had been designed in 2007-2008 were no longer always appropriate for the ways in which firms were constituted and organised.

#### Consumer insight

Three in-depth qualitative consumer focus groups were held with a representative sample of UK consumers to test their understanding of what Chartered meant, and how any changes to our eligibility criteria or oversight might affect their perception of its value.

#### Formal consultation process

Having developed draft proposals as a result of the first two exercises, we launched a consultation survey to seek the views of insurance and personal finance professionals on a range of potential changes. This consultation period ran from 15 August to the extended date of 3 October 2018. 252 firms responded, which represented an excellent sample size from the total population (904 by year end). In addition, 225 responses were received from the wider stakeholder group (such as non-Chartered firms and CII members). An executive summary of the consultation results is included on pages 20-31 and can also be downloaded from the CII website.

#### Bodies within the CII’s governance structure

Recommendations were developed by a CII project team chaired by the CII’s Professional Standards Director. These recommendations were discussed with a number of bodies within the CII governance structure prior to their approval by the CII board in April 2019, including:

- The Professional Standards Committee: A committee of the CII’s board with consumer and market representation, and a remit to promote and support professionalism across the CII’s products and services in order to engender public trust. It was consulted throughout the review and has approved the changes prior to their implementation.
- The board of the Personal Finance Society
- The board of the Society of Insurance Brokers
- The CII executive management team: The senior executives within the CII, which includes the Chief Operating Officer, the Managing Director of Engagement, the Development Director, the Learning and Assessment Director, the Professional Standards Director, the Marketing Director, and the Governance Director.

#### Other engagement activities

Throughout 2017 and 2018, CII executives met with numerous representatives of Chartered firms of varying types and sizes, and feedback was channelled to the CII Choose Chartered project team. Examples of additional engagement include the Chartered workshop discussions with Local Institute representatives at the CII’s Network Conference in June 2018.

“Holding the title sends a firm message to our customers that they can expect a high-quality service...Our customers can be assured by our ethical approach to business and our commitment to delivering good customer outcomes.”

Andrew Jepp, FCII, Chartered Insurer, Managing Director, Zurich Municipal

## Responses to proposals contained in the formal consultation

From 15 August to 3 October 2018, we ran a formal consultation (please see page 15 for details on the response rate). This section contains a reminder of the questions that were posed in the consultation. In each case, we have considered the way forward in light of the response and other factors. The responses were analysed by the independent research agency Ignition House, and an executive summary of its report can be found from page 20.

### Diversity and inclusion

**Question posed:** *To what extent do you agree or disagree with the following statement: Chartered firms should be required to evidence that they have in place an appropriate Inclusion, Equality and Diversity policy.*

**Consultation response:** The percentage of respondents agreeing with this statement was 46% of Chartered firms, and 48% of other stakeholders (versus 23% and 28% who disagreed). The rest neither agreed nor disagreed. Some consultation respondents expressed a concern that the implementation of D&I policies must take into account the size and nature of the firm, since larger corporate entities would be more likely to have the scale to implement detailed policies.

**CII conclusion and way forward:** The corporate Chartered status criteria already contain a criterion relating to core values and business practices. The scope of this can easily be extended to D&I matters. In anticipation of this change, we have already been requesting sight of D&I policies for renewing firms, and have not received any objections. For firms that do not currently have a D&I policy in place, we will provide sample wording for their consideration. For clarity, the new criteria will not mandate specific D&I measures, but will ask firms to submit their own policy. We will provide template policies and guidance for any firms that would benefit from this.

### Building public trust

**Question posed:** *To what extent do you agree or disagree with the following statement: Chartered firms should be required to provide evidence of the steps they take to build public trust in the profession.*

**Consultation response:** The percentage of respondents agreeing with this statement was 38% of Chartered firms, and 49% of other stakeholders (versus 35% and 28% who disagreed).

**CII conclusion and way forward:** We will merge this with the subsequent topic of 'Contributing to the development of the profession' and encourage corporate Chartered firms to take action that supports either objective – or both.

### Contribution to the development of the profession

**Question posed:** *To what extent do you agree or disagree with the following statement: Chartered firms (via the Responsible Member) should be encouraged to contribute to the development of professional standards, for example by joining forums or specialist practice groups to produce good practice guidance.*

**Consultation response:** The percentage of respondents agreeing with this statement was 51% of Chartered firms, and 64% of other stakeholders (versus 14% and 17% who disagreed).

**CII conclusion and way forward:** The development of the profession is a two-way commitment. If the CII is to encourage firms to engage with us in activities that promote professional standards, we are committed to providing a robust programme of such activities. The new wording will reflect this commitment. We will also provide examples in the Corporate Chartered Guidance Notes of the types of activities that might be construed as contributing to the development of the profession, and building public trust (see previous question).

These include:

- Support of CII local institute activities
- Participation in specialist practice groups
- Participation in forums producing good practice guidance organised by the CII or other organisations
- Appearances in the local media to answer consumer questions
- Participation in community/charitable activities
- Additional activities that promote community and social responsibility

We are committed to creating additional opportunities for Chartered firms to contribute to the development of the profession and will be investing in a substantial programme during the coming five years.

### Divisions

**Question posed:** *To what extent do you agree or disagree with the following statement: We seek to make it clearer, particularly to consumers, how a division of a company may obtain Chartered status. We propose that a company division be eligible to hold Chartered status, provided that the brand of the division is clearly recognisable by the end consumer and there is adequate oversight and internal controls.*

**Consultation response:** The percentage of respondents agreeing with this statement was 40% of Chartered firms, and 50% of other stakeholders (versus 38% and 22% who disagreed). There was concern expressed that inconsistent or inappropriate definitions of divisions could undermine public trust in the title.

**CII conclusion and way forward:** We will be tightening up the definition of a division so that it is compatible with the change to the definition of 'Appropriate Management Team' and to make clear that a 'division' must be identifiable as such to the end customer.

## Responses to proposals contained in the formal consultation

### Appropriate Management Teams

**Question posed:** To what extent do you agree or disagree with the following statements: We should update our definition of Appropriate Management Team to clarify that they must be the top level of the specialist division, typically containing people who hold an appropriate regulatory role under SMCR.

**Consultation response:** The percentage of respondents agreeing with this statement was 59% of Chartered firms, and 56% of other stakeholders (versus 11% and 12% who disagreed).

**CII conclusion and way forward:** We will modernise the criteria to reflect emerging business models as well as the SMCR regime. In particular, in recognition of the diverse business models that exist however, the CII will consider applications from incorporated entities, where the CII at its sole discretion, deems an AMT to be a more appropriate body than the Board of directors relating to the functional control and oversight of the entity and the practice of insurance or financial planning (typically containing people who hold an appropriate regulatory role under Senior Manager Certification Regime) and, the eligibility criteria otherwise applicable to a Board, are fulfilled. AMTs of specialist Divisions of limited liability entities will be considered in the same way, providing they are able to demonstrate to the CII's satisfaction, a functional distinction or specialism, which is separate from the wider incorporated entity.

### Comparative titles

**Question posed:** To what extent do you agree or disagree with the following statement: If a firm does not have a member of the top level with CII Chartered status, but the firm complies with the ethical focus and spirit of Chartered professional standards, comparable titles should be allowed, for example Chartered Accountants.

**Consultation response:** The percentage of respondents agreeing with this statement was 23% of Chartered firms, and 33% of other stakeholders (versus 59% and 52% who disagreed). It is worth noting that support was greater among the largest firms.

**CII conclusion and way forward:** We do not propose to proceed with a change that would allow a firm to be Chartered without a CII Chartered title holder in Board, divisional Board or Appropriate Management Team, except in larger corporates where, because of changing governance models, CII Chartered title holders are not currently represented at such levels. In order not to exclude large sections of the corporate market, the CII may use its discretionary power to recognise comparable titles for the role of Responsible Member, provided that there are sufficient Chartered title holders within the business to meet overall corporate Chartered status requirements. We believe this solution maintains the integrity of the Chartered ethos being present within a firm's leadership, while also reflecting the reality of modern business hierarchies.

### 50% of financial planners with Chartered status

**Question posed:** We have previously announced plans to increase the proportion of individuals required to hold Chartered Financial Planner status for a firm to achieve or retain corporate Chartered status, from 25% to 50% by 2020. In light of the positive progress being made across the membership and evident investment in professionalism by firms striving to meet the increased criteria, we feel it is appropriate to extend the deadline to allow firms and individuals more time to achieve the higher standards. To what extent do you agree or disagree with this recommendation?

**Consultation response:** The percentage of respondents agreeing with this statement was 49% of Chartered firms, and 50% of other stakeholders (versus 31% and 39% who disagreed).

**CII conclusion and way forward:** We propose three changes. Firstly, while we will adhere to the published timetable for all new applicants, for existing corporate Chartered entities, we will allow a transitional period subject to the firm having a clear plan to meet the criteria as soon as reasonably possible. Secondly, we will introduce a temporary waiver to the 50% threshold in order not to penalise firms that are recruiting and training new advisers as a result of business growth. Finally, we are conscious that some firms may be temporarily unable to meet the criteria at the relevant time due to unforeseen events over which they have no control – for example, the retirement or departure of Chartered advisers; or through mergers, acquisitions or a major restructure – and this can present a particular risk in smaller and medium-sized firms, where the impact on the calculation is exacerbated. In such cases, we will use our discretion on a case-by-case basis. Generally, we would expect to see the firm once again meeting the criteria within 12 months of the unforeseen event.

### Value of Chartered

**Question posed:** As part of the wider discussion, we would like to ask what we could offer as part of the Chartered proposition that firms would find most beneficial. Please select the level of value each of the following benefits has for your firm.

**Consultation response:** The 'potential benefits' most likely to be seen as having 'high value' by respondents were: CII adverts in local and trade media promoting Chartered status (64% highly value), guides and tools for promoting your business as a Chartered firm (61%), recommended programme of CPD to offer staff, covering a range of key roles (51%), and CPD on a range of business skills (50%).

**CII conclusion and way forward:** We will move forward with pilots for (at least) the top two ideas that were valued by respondents. Please refer to 'Enhancing the value' on page 6 for more details.

### Regularity of applications

**Question posed:** Currently, the Responsible Member is required to provide a full application form every year. Should the renewal process be to submit...?

- A full application annually, plus every six months submit their staff list for verification
- A full application every three years, with the Responsible Member signing a declaration annually that the firm remains compliant, plus every 6 months submit their staff list for verification
- Neither of the above.

**Consultation response:** The percentage of respondents agreeing with option one (a full application annually) was 5% of Chartered firms, and 15% of other stakeholders; and with option two (a full application every three years) was 71% of Chartered firms, and 67% of other stakeholders.

**CII conclusion and way forward:** We will continue with the current annual renewal, however we will be introducing digitalisation to all aspects of the application and renewal process to minimise the time taken by Responsible Members in gathering and submitting the data. We recognise this is not the solution preferred by the majority of respondents, but believe the introduction of greater digitalisation will be broadly welcomed and address the concerns that underlay the responses received. Other options will be kept under review.

## Responses to proposals contained in the formal consultation

### Effective oversight

**Question posed:** Consumers expect only firms that uphold Chartered values to be allowed to hold the title, and for the awarding body to be able to remove that status from those that undermine its reputation. To do this, we will continue to oversee adherence to the standards that underpin Chartered status and intervene where appropriate. If you have any thoughts or suggestions about the most effective way to do this, please outline them below.

**Consultation response:** 78 Responsible Members answered this question. Ignition House commented: "Responsible Members were generally in agreement with the need for continuous monitoring by the CII, and that the CII has the power to remove Chartered status, as long as there is the right of appeal."

**CII conclusion and way forward:** We believe that a robust annual review of all firms is the most effective form of monitoring. We already have power to remove Chartered status or refuse to renew, with a right to a review of that decision. There is also a requirement for firms to cooperate with the CII and provide information that may impact their Chartered status. We will continue to use these powers where we feel it is necessary in order to protect the reputation of the Chartered title.

### A new corporate Chartered title - for Managing General Agents

**Question posed:** We are currently seeking a new corporate Chartered title, to represent Managing General Agents (MGAs), given the increased importance of their role in the UK and international insurance sector. We have received market support for this move. The Chartered titles currently offered no longer accurately reflect the role played by a growing number of members who are working in the MGA sector as underwriting agents. The Managing General Agents Association fully supports our drive to professionalism and for the interests of the public to be promoted. The new Chartered title being sought for MGAs is 'Chartered Insurance Underwriting Agent'. We are currently seeking approval on the new title from the Privy Council. If you have any thoughts or suggestions about the new title, please outline them below.

**Consultation response:** 36 Responsible Members answered this question (which only allowed for qualitative responses). Ignition House commented that there was "broad support" for the proposal.

**CII conclusion and way forward:** We have now received permission in principle from the Privy Council to introduce the new title of Chartered Insurance Underwriting Agent, subject to member vote at the AGM, and will be engaging with the MGA market intensively during the next few months in preparation for the 'formal' launch of the individual title later this year.

"We recognised that the attainment of Chartered status would be a strong statement of intent and give our customers and brokers confidence that we are committed to the highest professional and ethical standards.

"Chartered status has made it easier to ensure continuous professional development, with access to sector-specific topical updates and access to a library of information to support thought leadership."

Karl Helgesen, Chief Claims Officer,  
RSA UK & International

"The Chartered status instils pride in the company for our people and confidence in our commitment to our customers. The progression to qualification promotes individual achievement and underpins career development."

Ann Golder MBA FCII Chartered Insurer,  
Operations Director, Broker Direct

"Our staff take pride in professionalism and are proud of the badge."

Tony Norcott, ACII Chartered Insurance Broker,  
Chairman, Circle Insurance Services

Prepared by

**ignition house**

Executive summary of  
consultation response

# Corporate Chartered Status

**The next 10 years**

## Executive summary of results of the consultation undertaken on behalf of the Chartered Insurance Institute

**ignition house**

Prepared by Ignition House  
November 2018



## Foreword

**The CII exists to secure the trust and confidence of the public. Corporate Chartered status represents the benchmark of good practice – demonstrating a firm has made a commitment to a published code of ethical practice, to provide knowledgeable advice backed up by qualifications and CPD, and to seek good customer outcomes.**

In order that good firms continue to be attracted to Chartered status it is important that the titles are aspirational and are a stretch to achieve – achievement cannot be easy.

That said, it is also important that the titles are relevant to today's market (requiring conduct and behaviours that the public would expect from a good practice firm), modern in terms of their criteria (appropriate to changing business structures) and diverse in their appeal (inclusive rather than elitist).

Getting this balance right is difficult but it is one that we are determined to achieve as we build our profession and seek to secure the trust of the public. It is this thinking that sits behind our desire to consult with the market and to evolve the titles, given that they have been in place for more than 10 years.

*melissa collett*

**Melissa Collett**  
Professional Standards Director  
Chartered Insurance Institute

## Background

Eleven years on from the launch of the three corporate Chartered titles - Chartered Insurers, Chartered Insurance Brokers and Chartered Financial Planners - more than 900 firms and divisions hold corporate Chartered status - publicly demonstrating their commitment to professionalism and its importance for clients. The criteria were last revised in 2014, but ensuring Chartered remains the mark of professionalism for consumers and the public means regular review and consultation.

The Chartered Insurance Institute (CII) has launched a consultation paper to seek the views of insurance and personal finance professionals on the current corporate Chartered proposition to see how to improve its value, relevance to consumers and potential to drive trust in a united profession.

## Methodology

To collect feedback from the profession, the CII ran a consultation exercise from 15 August to 3 October 2018. Data was collected via a short online survey delivered on the CII's behalf by research agency Insight Track. The exercise sought input across four key areas using a combination of open and closed questions.

- 1. Eligibility criteria:** How do we ensure that the criteria for achieving Chartered Status demonstrate a commitment to professionalism that resonates with your consumers and staff, while being transparent, simple and flexible to apply to all scenarios?
- 2. Value proposition:** What aspects of Chartered status do you value most as an organisation, and more importantly, which elements should we be focusing on to create a valued outcome?
- 3. Improving the process:** We recognise that the process of applying for or renewing Chartered status could be simplified. We would value your thoughts on where to prioritise these changes.

- 4. Oversight and controls:** Consumers expect that if a Chartered firm fails to maintain appropriate professional standards, the awarding body will intervene to either enforce improvements or ultimately to remove the firm's status. This is important to ensure that the poor actions of the few do not undermine the professional brand of Chartered status.

In total, 477 responses were received. For firms that have already achieved Chartered status, the survey was sent to Responsible Members<sup>2</sup> for completion. The survey to other stakeholders was promoted via the CII's general communication channels including social media, website, The Journal and trade press. All responses were anonymous, so we have no information on the characteristics of the person who filled the survey out on behalf of their organisation.

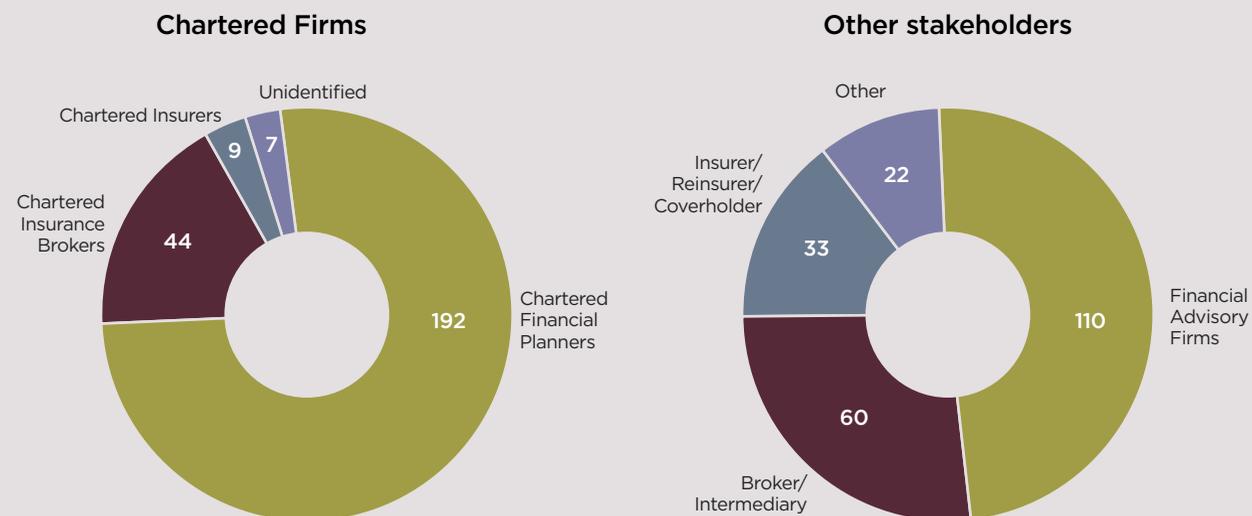
Respondents were not forced to answer each question, which means that the bases may vary slightly from question to question.

The CII's strapline - 'Standards. Professionalism. Trust.' - embodies its commitment to driving confidence in the power of professional standards, through competence, integrity and care for the consumer. The CII publicly states that "we are here to build trust in the insurance and financial planning profession". It is therefore important to hear the voice of the consumer as part of any consultation exercise.

In this instance, as a temperature check of public opinion, views were sought from 23 members of the general public who took part in in-depth discussions held in London and Manchester, 7 were currently using an independent financial adviser, 8 had never used a financial adviser before, and 8 were the decision-makers (typically the MDs) of SMEs who purchased their business insurance through brokers.

Figure 1: Respondents' characteristics

## Type of firm



## Size of firm



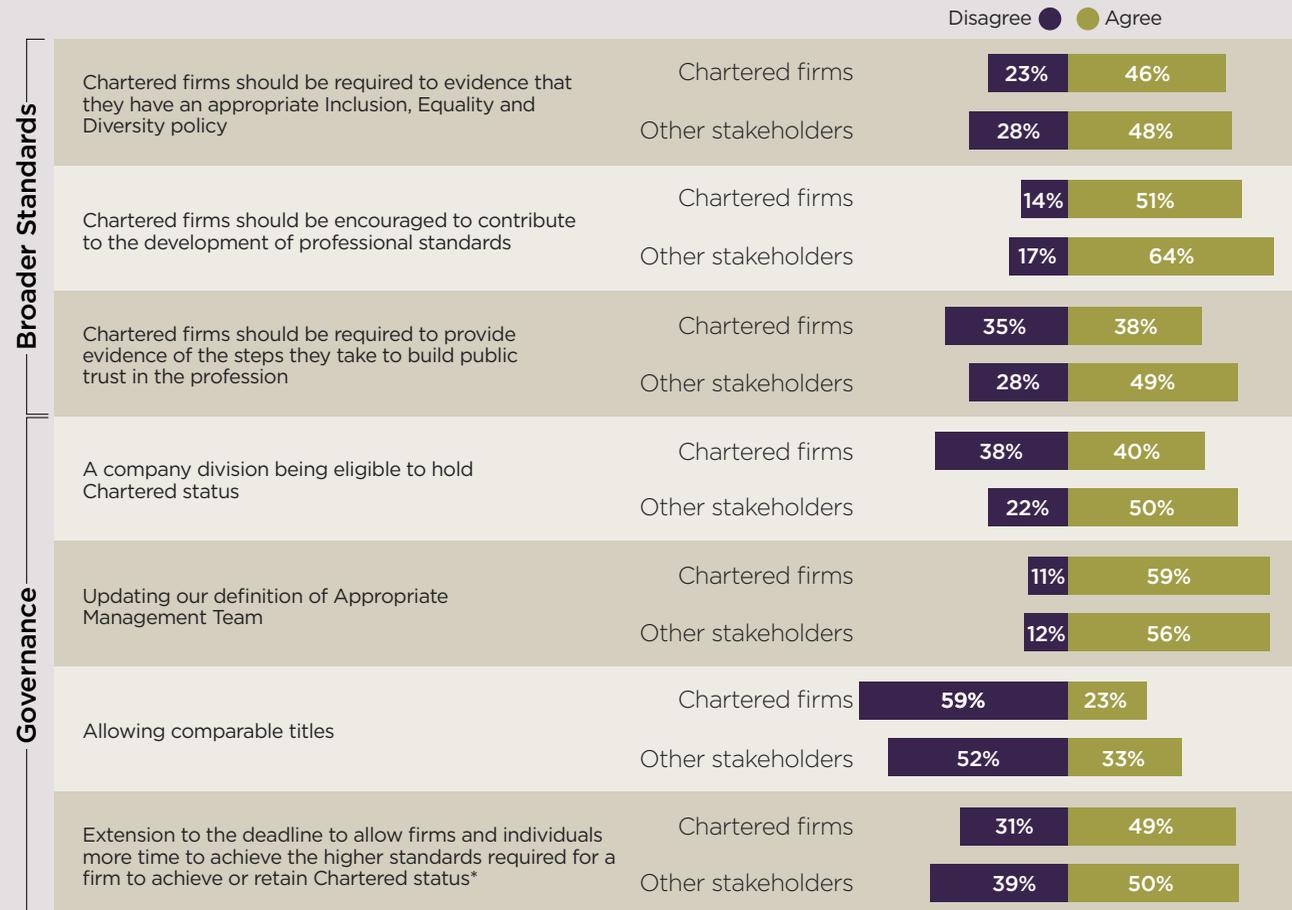
**Base:** All Responsible Members (252) and other stakeholders (225) who responded to the consultation  
**Note:** Type of firm and size of firm is not known for 7 Responsible Members who responded to the consultation. We have labelled these here as unidentified. Their survey responses are included in Responsible Members charts throughout this report in the 'All respondents' row only.

<sup>2</sup> The Responsible Member of a Chartered firm is a Chartered individual, at a high level of management, responsible for the firm complying with the rules of Chartered status, including notifying the CII of any changes to the firm that may alter its Chartered status.

## Summary of the key findings

The consultation explored views on proposed changes to the eligibility criteria and governance for Chartered status. Figure 1 provides a summary of the profession's views.

**Figure 1: Summary of Chartered firms' and other stakeholders' responses to the eligibility criteria questions in the consultation**



**Base:** All Chartered firms (252) and other stakeholders (225) who responded to the consultation. \*Deadline extension question was only asked to financial advisory firms: Chartered Financial Planners (184) and non-chartered Financial Advisory Firms (109).

**Note:** Chart only shows the balance of opinion between agree/strongly agree and disagree/strongly disagree and does not show respondents who reported a neutral response or responded 'don't know'.

### The strongest levels of support were shown for updating the definition of the Appropriate Management Team.

In both Chartered and non-chartered firms only around one in 10 disagree or strongly disagree with the suggested approach, the lowest levels of disagreement in any of the proposals tested.

### On balance, firms are supportive of the proposals that firms should be required to evidence an Inclusion, Equality and Diversity Policy.

Chartered Insurers were the strongest supporters of this proposal, but as they are some of the largest firms in the survey, and are often publicly listed companies, they are (perhaps) the most likely to have this policy already in place. Indeed, looking in more detail by the type of Chartered firm, we see that support for this proposal increases as firm size increases.

Those in favour simply felt that it demonstrated best practice for professional firms. The biggest concerns raised centred on how practical this would be for small firms (both in terms of sourcing the right candidate for the job and in providing evidence) and whether this was a wider social issue and therefore not within the scope of the CII's remit.

These mixed views were very much shared by the consumers we spoke to. In each group about half felt that having a formal D&I policy and publishing gender pay gap information was appropriate, and half did not. They very much shared the same concerns about the burden on small businesses, the ability to hire the right person into the job and whether this was just another manifestation of the 'nanny state'. On balance, they were more in favour of this for larger firms than smaller ones, but felt that this was probably already Government policy.

### On balance, there was agreement that Chartered firms should contribute to the development of professional standards.

Support was stronger among non-chartered firms where more than 60% agreed or agreed strongly, and this number did not vary much by size or type of firm. Views were much more mixed among Chartered firms, where only half (51%) were in favour. However, by type of firm, Chartered Insurers were the most in favour, with three quarters (76%) agreeing or agreeing strongly with this proposal.

In principle, relatively few firms were against the proposal (15% of Chartered and 17% of other stakeholders). Perhaps surprisingly, Chartered firms were more likely to take a neutral stance on this proposal than non-chartered firms (33% compared to 18% respectively).

The consumers we spoke to did not particularly value this as a 'must have' element to attain Chartered Status. They also expressed concerns about the burden on small businesses.

### Evidence of steps to build public trust is difficult to define and measure but in principle, firms were supportive of this initiative.

Despite voicing reservations about how a Chartered firm could evidence the steps it takes to build public trust in the profession, the balance of opinion was marginally in favour of this proposal. That said, in principle, relatively few firms were against the proposal (15% of Chartered and 17% of other stakeholders). Looking at the comments provided by Responsible Members on this issue, the key concerns raised were about the practicality of this proposal; how trust can be accurately defined and measured, whether consumers' trust is subject to external factors beyond the profession or the CII's control, and the burden on (small) businesses of collecting the evidence base.

Support was stronger among other stakeholders, where over 60% agreed or agreed strongly, and this number did not vary much by size or type of firm. Perhaps surprisingly, Chartered firms were more likely to take a neutral stance on this proposal than other stakeholders, (33% compared to 18% respectively).

We heard very mixed responses on the issue of trust from the people we spoke to. On the one hand, they recognised that Chartered status would be an indication that the firm was adhering to high standards and that this has the potential to improve levels of trust. When asked to say what they thought the term 'Chartered values' means to them, the key terms used were integrity, professionalism, quality, trusted, opportunity for redress, high service standards and being recognised as the 'best'.

On the other hand, those already using brokers and financial advisers felt their longstanding relationships were the stronger driver, and all had 'found' their advisory firm through word of mouth recommendations rather than seeking out a badge of excellence.

**There are widely differing views on the proposal concerning company divisions, between those who have already attained Chartered status and those who have not, where far more are in favour of this proposal.**

Overall, Chartered firms' opinion is split down the middle on this proposal, but support among Chartered firms increases by size. Most of the Chartered Insurers that took part in the survey (75%) were in favour.

Firms that are against this proposal expressed concerns that the system would be open to manipulation, with the consequences that the value of Chartered status would become diluted and consumers would become even more confused. Those in favour, or who took a more neutral stance, also felt that this would need to be carefully managed by the CII. In particular, respondents mentioned that the definition of a 'division' within an organisation must be clear and it must not be created simply to gain the Chartered badge for the firm.

A couple questioned whether this practice would be allowable in other professions, such as accountants or lawyers, and would further undermine the perception of the profession.

**Smaller firms were not in favour of allowing top level individuals to hold comparable titles to Chartered from other professional bodies.**

This was the only proposal where, overall, more respondents disagreed than agreed. The only exceptions to this came from the larger firms – Chartered Insurers, Insurers, Reinsurers and Coverholders – but even here there was no consensus that this was acceptable. We recognise that these results are based on relatively small sample numbers. This suggests that further work may be required to gather views from a bigger sample of these larger firms to fully inform the CII's view on this proposal.

**Respondents gave no firm steer to the CII on the proposal to extend the deadline to allow financial planners longer to achieve the 50% target.**

About half of Chartered Financial Planners and other financial advisory firms agreed with this proposal. That said, among wider stakeholders there was a larger proportion who disagreed, whereas Chartered firms were more likely to take a more neutral stance.

Those that agreed with this proposal felt that original deadline was too tight, particularly when firms are expanding rapidly or bringing on new talent. A couple praised the CII for taking a pragmatic approach in the light of a challenging environment. Those against a time extension believe that the 50% threshold is not particularly challenging and/or that plenty of time and notice has been given already.

We asked our consumers to give their views on what percentage of advising staff they felt needed to be personally Chartered for the firm to achieve Chartered status. Unprompted, they felt that about a third to a half felt about right, with the ultimate objective that all consumer-facing advisers are working to meet this bar in the long run. They recognised that it was not practical to expect 100% as firms have junior staff who could not be expected to be at this level, and that not all interactions will require such highly qualified staff. There was also some concern that this would result in higher prices.

**Support for the new 'Chartered Insurance Underwriting Agent' title**

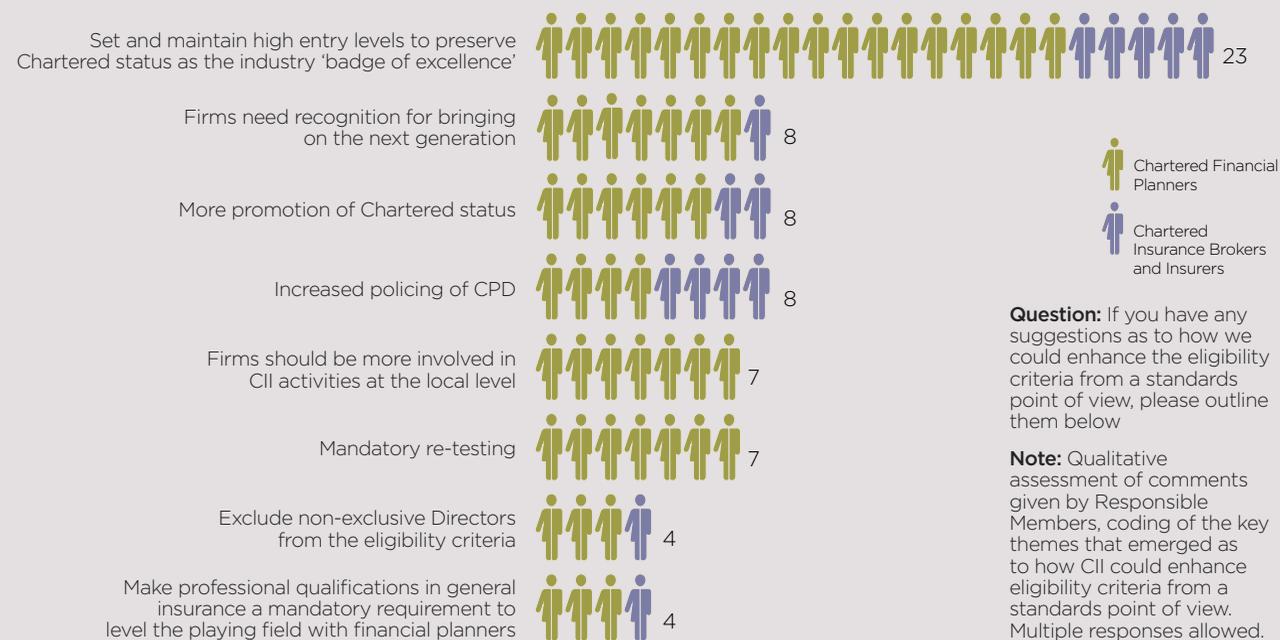
The CII is currently seeking approval for a new Chartered title for MGAs, ('Chartered Insurance Underwriting Agent',) from the Privy Council. Analysis of the 27 comments posted by Chartered Brokers and Insurers demonstrated broad support for this proposal.

**Unprompted feedback from Responsible Members called for the CII to maintain high standards**

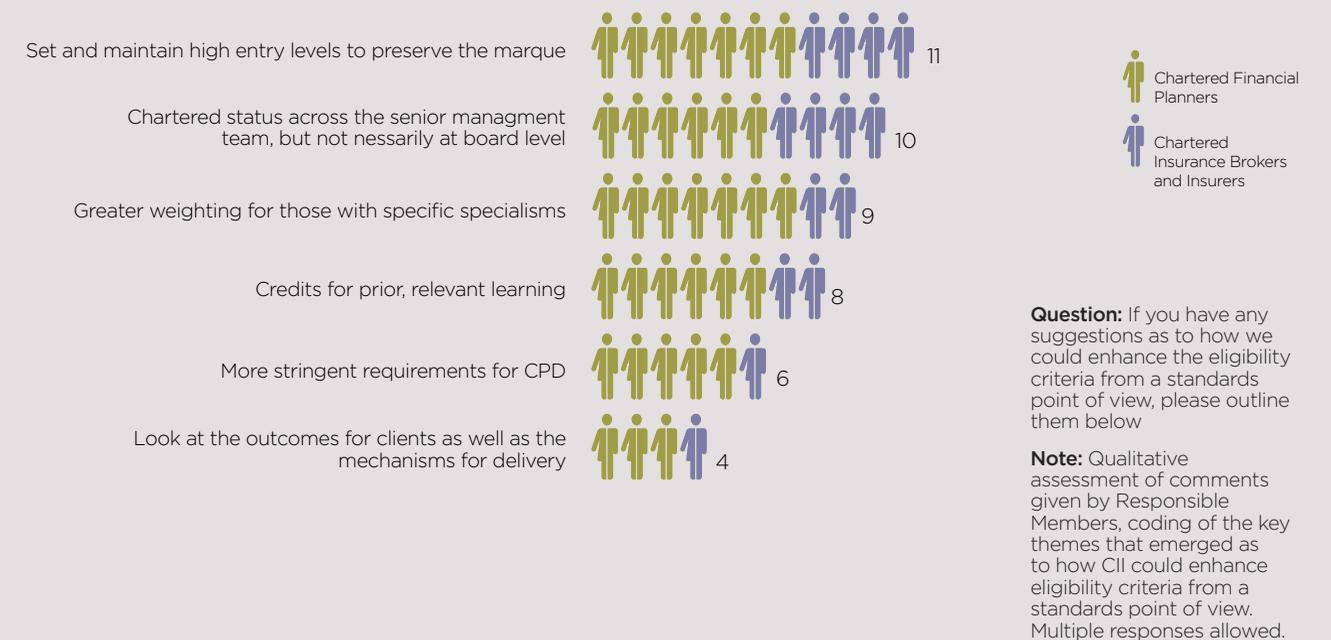
Responsible Members were asked for their suggestions on how the CII could enhance the eligibility criteria from a standards point of view. In total, 104 Responsible Members provided a response, of which 83 were Chartered Financial Planners. Respondents took the opportunity to express views about a number of issues, but the key themes raised are given in Figure 2.

Similarly, Responsible Members were also asked for any other suggestions on how the CII could enhance the eligibility criteria from a governance point of view. In total, 58 Responsible Members provided a response, of which 42 were Chartered Financial Planners. The key themes mentioned are summarised in Figure 3.

**Figure 2: Responsible members' unprompted suggestions as to how CII could enhance the eligibility criteria from a standards point of view**



**Figure 3: Responsible members' suggestions on how the CII could enhance the eligibility criteria from a governance point of view**



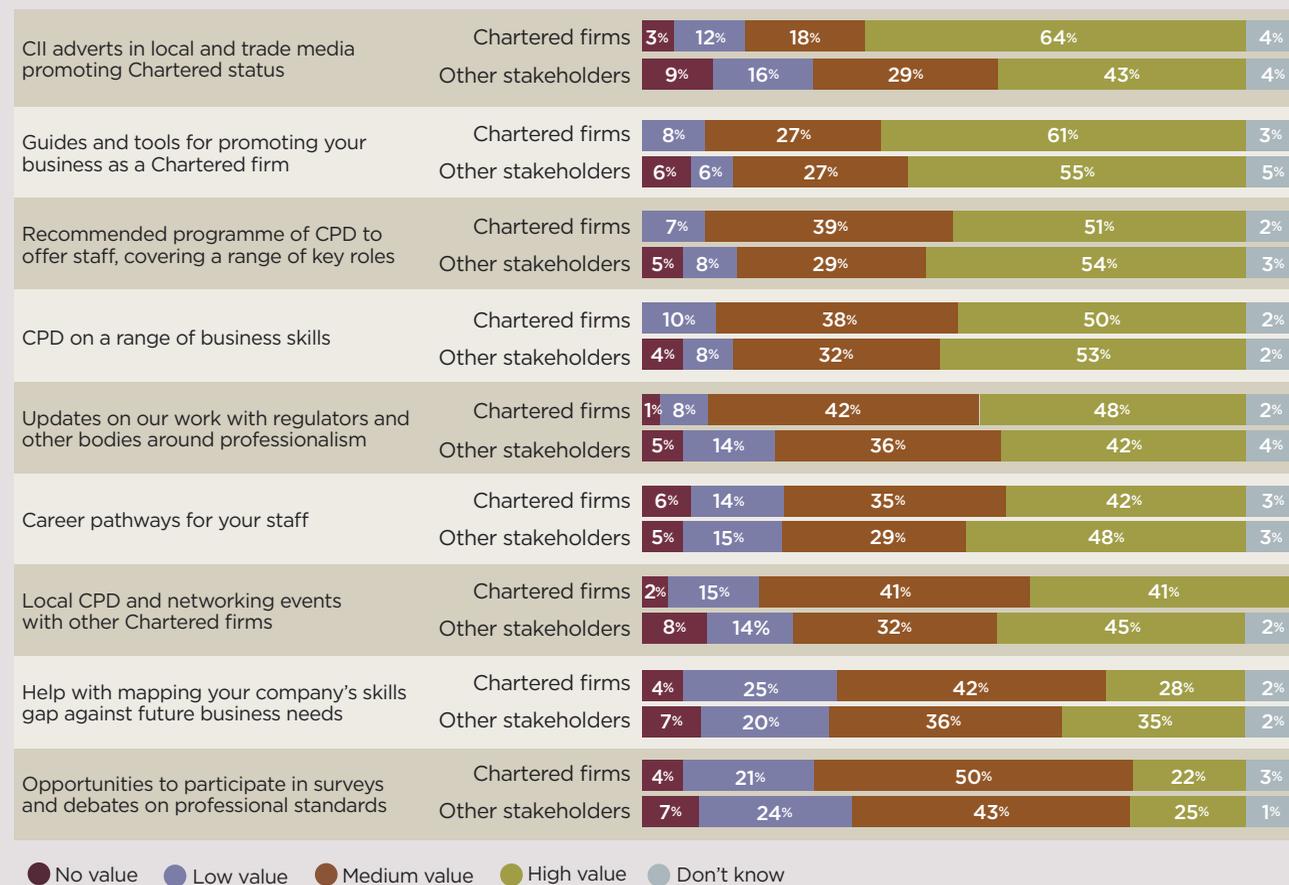
# Executive summary of consultation response

Consumers were also clear; firms reaching Chartered status should be at the pinnacle of their profession. Consumers had a good sense of what it would take to reach this bar, talking about professional examinations, code of ethics, consumer service excellence, high claims ratios, and deep levels of expertise.

Very much aligned with the perceptions of the Responsible Members who took part in the consultation exercise, the consumers we spoke to had very little awareness of professional standards in financial services and often confused this with regulation. As consumers found out more about

Chartered status and how it works in insurance companies, insurance brokers and advisory firms, they became more and more interested and, unprompted, started to question why Chartered status is not being more widely promoted. Consumers felt that initiatives to raise professional standards were positive news, in contrast to the usual negative stories they hear about the sector. For this to change, consumers were keen for the CII to take steps to increase the profile of Chartered status, but felt that this would need to be done at a national level, using TV and radio, and will need regular repetition for the message to sink in.

**Figure 4: Summary of the benefits of Chartered status**



**Question:** As part of the wider discussion we would like to ask what we could offer as part of the Chartered proposition that firms would find most beneficial. Please select the level of value each of the following benefits has for your firm.

**Base:** All Responsible Members who responded to the consultation (251) **Base:** All other stakeholders who responded to the consultation (224).

## All nine suggestions for enhancing the CII's value proposition resonated well, with the most popular being around initiatives to promote the Chartered badge, and enhancements to CPD.

The CII is continually striving to improve its proposition to members, and to ensure value for money. As part of the wider discussion, respondents were asked what it could offer as part of the Chartered proposition that firms would find most beneficial. Nine suggestions were tested; the results are summarised opposite.

## Of the options tested, the majority were supportive of a full application process every three years.

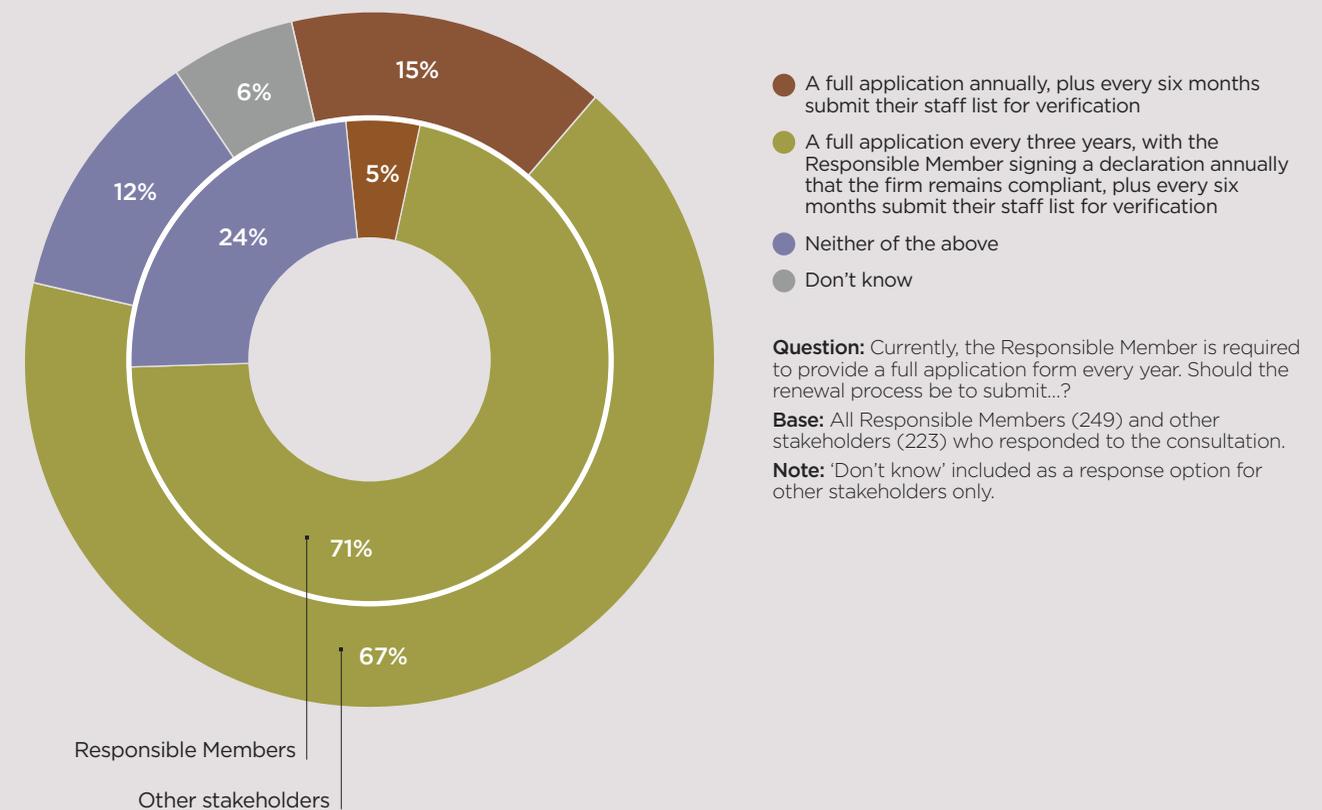
In total, 86 Responsible Members gave further feedback on how the process of achieving or

maintaining Chartered status could be improved, of which 61 were Chartered Financial Planners.

For most, their comments simply stated that the current processes were not too onerous and that the proposed changes would not make too much of a difference to them. Where objections to the proposal were raised, these were typically about the need to submit a staff list every six months.

Finally, Responsible Members were asked to provide suggestions on the most effective ways for the CII to have oversight and control of Chartered status. Analysis of the comments indicates that Responsible Members were generally in agreement with the need for continuous monitoring by the CII, and that the CII has the power to remove Chartered status, as long as there is the right of appeal.

**Figure 5: Responsible Members' and other stakeholders' response to simplifying the process of applying or renewing Chartered status**



**Question:** Currently, the Responsible Member is required to provide a full application form every year. Should the renewal process be to submit...?

**Base:** All Responsible Members (249) and other stakeholders (223) who responded to the consultation.

**Note:** 'Don't know' included as a response option for other stakeholders only.

Technical changes  
to the criteria

# Corporate Chartered Status

The next 10 years

## Technical changes to criteria – from July 2019

Following the CII's corporate Chartered consultation, we are proposing the following changes to corporate Chartered criteria.

The underlying principle of all the changes is to ensure the criteria remain relevant to the evolving nature of our profession and the wider society. Except where otherwise stated, the criteria will come into effect for new applicants from 1 July 2019, and for existing Chartered firms at their first renewal after that date. These changes are indicative only and may change following legal review.

### Change 1: Diversity and inclusion

<p><b>Current rule</b></p> <p><b>Fixed criteria 6</b></p> <p>The firm must have in place core values and business practices that align with the CII Code of Ethics.</p> <p>Please note that this relates to 'Fixed criteria 7' in the Chartered Financial Planners list of criteria.</p>	<p><b>New rule (from 1 July 2019)</b></p> <p><b>Fixed criteria 6</b></p> <p>The firm must have in place core values, business practices and a Diversity and Inclusion policy that align with the CII Code of Ethics.</p> <p><b>CCS Rules: Diversity and inclusion</b></p> <p>Each CCS Entity should have: a Diversity and Inclusion (or Equality or Inclusion) policy (D&amp;I policy) in operation to demonstrate that it actively promotes equal opportunities.</p> <p>This policy should be published and available to all of the CCS Entity's staff, and all those with responsibility for implementing decisions and actions that could lead to inequality should be aware of the policy and how it applies to their role.</p> <p>Each CCS Entity must, on request, provide the CII with a copy of its policy and demonstrate how the policy is implemented within the CCS Entity, for example through having a board sponsor for the Diversity &amp; Inclusion (D&amp;I) policy, a D&amp;I staff forum, and/or D&amp;I training for managers, bearing in mind the size of firms.</p>
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## Technical changes to criteria – from July 2019

### Change 2: Contribution to the development of the profession and building public trust

<p><b>Current rule</b></p> <p>No reference</p>	<p><b>New rule (from 1 July 2019)</b></p> <p><b>CCS Rules: Contribution to the development of the profession and building public trust.</b></p> <p><b>The development of the profession</b></p> <p>The insurance sector is on a journey to becoming a united, trusted profession. Each CCS Entity is expected to contribute to this journey, for example through:</p> <ul style="list-style-type: none"> <li>• Support of CII local institute activities</li> <li>• Participation in other specialist practice groups relevant to the insurance and personal finance sector</li> <li>• Participation in forums organised by the CII or other relevant bodies producing good practice guidance.</li> </ul> <p>The CII is committed to creating additional opportunities for CCS firms to contribute to the development of the profession and will be investing in a substantial programme during the coming five years.</p> <p><b>Community visibility and active corporate social responsibility (CSR)</b></p> <p>Each CCS Entity is expected to contribute to building public trust in the profession through community visibility and active CSR, for example through:</p> <ul style="list-style-type: none"> <li>• Participation in community/charitable activities</li> <li>• Raising awareness among its staff of the importance of public trust as measured with the CII's Public Trust Index</li> <li>• Appearances in the local media to answer consumer questions</li> <li>• Additional activities that promote community and social responsibility.</li> </ul>
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## Technical changes to criteria – from July 2019

### Change 3: Divisions

#### Current rule

##### Glossary: Division

Means an unincorporated part of an entity, responsible for a particular range of services or product line(s).

Limited liability Companies or limited liability partnerships are not eligible for consideration as Divisions for this purpose, howsoever described by the entity applying for CCS. Limited liability Companies or limited liability partnerships must apply for CCS in their own right.

#### New rule (from 1 July 2019)

##### Glossary: Division

Means a business unit that has demonstrated to the satisfaction of the CII, its oversight, control and responsibility for a particular range of services or product line(s) identifiable to the end consumer.

Limited liability Companies or limited liability partnerships are not eligible for consideration as Divisions for this purpose, howsoever described by the entity applying for CCS. Limited liability Companies or limited liability partnerships must apply for CCS in their own right.

## Technical changes to criteria – from July 2019

### Change 4: Appropriate Management Team

#### Current rule

##### Glossary: Appropriate Management Team (AMT)

For incorporated entities solely carrying on the business of a financial planning/ insurance broking/ an insurance company (see fixed criteria), this will be the Board.

In recognition of the diverse business models that exist however, the CII will consider specialist Divisions, where an entity has two or more viable and identifiable operating Divisions, have their own trading identities and are responsible for their own profit and loss account or can produce other evidence satisfactory to the CII, corroborating the genuine existence of such Division. Where an operating Division meeting the relevant requirements seeks CCS, the Appropriate Management Team will be the managing board or other governance body of the at Division.

#### New rule (from 1 July 2019)

##### Glossary: Appropriate Management Team (AMT)

For incorporated entities solely carrying on the business of a financial planning/insurance broking/ an insurance company (see fixed criteria), normally this will be the Board of directors, as registered at Companies House.

In recognition of the diverse business models that exist however, the CII will consider applications from incorporated entities, where the CII at its sole discretion, deems an AMT to be a more appropriate body than the Board of directors relating to the functional control and oversight of the entity and the practice of insurance or financial planning (typically containing people who hold an appropriate regulatory role under Senior Manager Certification Regime) and, the eligibility criteria otherwise applicable to a Board, are fulfilled.

AMTs of specialist Divisions of limited liability entities will be considered in the same way, providing they are able to demonstrate to the CII's satisfaction, a functional distinction or specialism, which is separate from the wider incorporated entity.

The CII may request such evidence as it sees fit, when considering an application for consideration of an AMT within an incorporated entity or from a Division of an incorporated entity, including for example (but without limitation), divisional profit and loss accounts, product or brand documentation, management structures, organograms, undertakings, etc, in order to evaluate the representations made in the course of the application. The CII's decision in such matters shall be at its sole discretion and shall be final and binding.

## Technical changes to criteria – from July 2019

### Change 5: Comparative titles

#### Current rule

##### Rule 10. Rights, powers and discretions of the CII

- iii) to recognise Chartered titles from other awarding bodies as being comparable to the CII's individual Chartered title, providing the title held is directly relevant to the individual's principal area of work and the awarding Chartered body has a Code of Ethics comparable to that of the CII.

##### Rule 5 CCS Minimum requirements

- (b) have an employee or officer who personally holds the CII Chartered title in respect of the class of CCS being applied for and who will be the ongoing point of contact for CCS purposes ("Responsible Member"). In the case of a limited Company, the Responsible Member will be a statutory director of the limited Company...

In a case where the CII exercises its discretion to recognise an Appropriate Management Team... of a specialist Division ... of an organisation and the Responsible Member is not a member of the statutory Board ... the Board of the CCS Entity must appoint a person with responsibility for oversight of the CCS ...

#### New rule (from 1 July 2019)

##### Rule 10. Rights, powers and discretions of the CII

- iii) to recognise Chartered titles from other awarding bodies as being comparable to the CII's individual Chartered title, providing the title held is directly relevant to the individual's principal area of work and the awarding Chartered body has a Code of Ethics comparable to that of the CII. The CII may at its sole discretion allow a Responsible Member of a Larger Firm (see Glossary below) to hold a comparable Chartered title. In all cases, the Responsible Member must be a CII member.

##### Rule 5 CCS Minimum requirements

- (b) have an employee or officer who personally holds the CII Chartered title in respect of the class of CCS being applied for (or holding a comparative title acceptable to the CII) and who will be the ongoing point of contact for CCS purposes ("Responsible Member"). In the case of a limited Company, the Responsible Member will be a statutory director of the limited Company...

In a case where the CII exercises its discretion to recognise an Appropriate Management Team... of a specialist Division... of an organisation and the Responsible Member is not a member of the statutory Board... the Board of the CCS Entity must appoint a person with responsibility for oversight of the CCS.

#### Glossary

'Larger Firm': The definition of Larger Firm will generally be consistent with the UK government definition - i.e., a firm with 250+ employees.

## Technical changes to criteria – from 1 January 2020

### Change 6: 50% Chartered Financial Planner requirement

#### Current rule

##### Criteria specific for financial planning

A minimum of 25% of the firm's advisers must hold the Chartered Financial Planner title. Following a phasing period between now and 2020, this requirement will increase to 50%.

#### New rule (from 1 January 2020)

##### Criteria specific for financial planning

A minimum of 25% of the entity's advisers must hold the Chartered Financial Planner title. From January 2020, this requirement will increase to 50% for all new applicants and renewals by existing CCS Entities. The following concessions can be applied for and may be granted at the CII's sole discretion:

For existing CCS entities:

- Entities that can demonstrate to the satisfaction of the CII that they have a plan to meet the 50% requirement as soon as reasonably possible will be allowed a transitional period to meet the requirement. The transitional period will be set by the CII at its sole discretion.

For all CCS Entities (existing or new applicants):

- A temporary waiver of the 50% threshold in order not to penalise entities that are recruiting and training new advisers as a result of business growth.
- By exception, the CII can at its sole discretion give concessions to entities that are temporarily unable to meet the criteria at the relevant time due to unforeseen events over which they have no control - for example, the retirement or departure of Chartered advisers; or through mergers, acquisitions or a major restructure - on a case-by-case basis. Generally, the CII would expect to see the entity once again meeting the criteria within no more than 12 months of the unforeseen event.

## Technical changes to criteria – from July 2019

### Change 7: Audit

#### Current rule

##### Glossary: Audit

Audit is an annual review that is primarily thematic in nature and intended to distil and inform best practice among CCS Entities. Its purpose is to ensure that CCS Entities understand their obligations, have maintained their eligibility throughout the relevant period, and otherwise, for the CII to give such guidance as may be necessary. Audits will be based on a proportion, determined by the CII, of all current CCS Entities annually.

#### New rule (from 1 July 2019)

##### Glossary: Audit

The annual renewal is the primary tool used by the CII to audit information provided by the CCS Entity and verify compliance with the CCS criteria. Its purpose is to ensure that CCS Entities have fulfilled their obligations, and have maintained their eligibility throughout the relevant period. The CII retains the right to change the frequency, scope and proportion of entities subject to audits and/or renewal where it deems it appropriate.

### Change 8: Oversight and controls

#### Current rule

##### Powers

The CII shall have the following rights, powers and discretions:... to withhold, suspend or withdraw CCS where the CII determines that to do so is appropriate and/or necessary for the protection of the reputation and integrity of the CII, PFS, their members and/or the holders of CCS or otherwise brings the profession into disrepute, including (without limitation) where the relevant CCS Entity or any member of its staff (whether individual members of the CII or not) are subject to sanction or investigation under the disciplinary rules of the CII or any other relevant professional, statutory or regulatory body or authority.

#### Revised approach

##### Powers

As the current powers already allow the CII wide discretion to award, withdraw and/or suspend Chartered status of an entity, no substantive changes to the powers are recommended.

Over the longer term we intend to build stronger links with Chartered entities to facilitate sharing of information and ongoing dialogue about good practice.

## For further information

To contact a member of our team of corporate Chartered advisers:

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To access a range of additional materials about corporate Chartered title:

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