

# GIARR 2024: Summary of Changes



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# Background



- The General Insurance Agents' Registration Regulations (GIARR) was first implemented on 1 Oct 1990 to promote enhancement of standards and professionalism of the general insurance agents and the insurance industry.
- It went through several revisions and key changes were made in 2005, 2007, 2009, 2015 and 2020.
- The current review aims to align the GIARR to new policies, reflect the current business practices, and add clarity to the existing regulations.
- Policy and administrative amendments made to the 2024 version are explained in these slides.
- The implementation date of the revised GIARR is **1 March 2024**.

# Timeline



- August 2023 – ARB approved
- September 2023 – MC approved
- October to Feb 2023 - Transition and preparation period for members
- 1 Mar 2024 – Implementation date for GIARR 2024 and Appendixes



# Policy Amendments



# Due Process and Registration

- ✓ Removed references to the Board acting in bad faith and the agent challenging the Board's decision in a Court of Law. Instead, a clause exempting the Board from liability is added.
- ✓ Amended GIARR 7.6 to give more time for appellants to submit their appeal.

*Relevant Regulations: GIARR Section 6.7 (c) to (f), 7.6, 13.12 (d) to (g), and 21.*

# Continuing Professional Development



- ✓ Deleted Section 5.2, 5.3 and 5.4 as it is either too restrictive or repeated in Enclosure A.
  - a) Under the current 5.2, “activities ... conducted ... solely for the agents”. For example, an insurer’s in-house training activity must be exclusive for agents, for it to be treated as a legitimate CPD training activity. This is too restrictive. An insurer’s in-house training activity does not need to be exclusive for agents. It can include other types of participants.
  - b) Under the current 5.3, “activities ... must be customised for that general insurance company in terms of contents, and duration of hours”. For example, an external vendor’s training activity must be customised for that insurer in terms of contents and duration of hours, for it to be treated as a legitimate CPD training activity. This is too restrictive. An external vendor’s training activity does not need to be customised in this way. Its contents and duration do not need to be customised, as long as they fulfill the requirements set out at GIARR Appendix C - 4.

*Relevant Regulations: GIARR Appendix C Section 5.2, 5.3 and 5.4.*



# Continuing Professional Development

- ✓ Added new Section 5.2 and 5.3 :
  - a) ARB Circular 5/2015 (Non-acceptance of CPD hours clocked by new applicants for the CGI module) is now cancelled.
  - b) Included a policy as stated at GIA Website ([Training and Competency](#)): “During a year, if you are a general insurance agent or Relevant Person\* or insurance broker who have moved from one company to another, you can combine the training hours that you have fulfilled in the year at the different companies.”.
- ✓ Deleted Section 5.6 as administration of appeals in practice is different from this rule.

*Relevant Regulations: GIARR Appendix C Section 5.5 and 5.6.*



# Continuing Professional Development

- ✓ Sharpened and modernised the language used in Enclosure A.
- ✓ Clearly state that all categories of activities in Enclosure A can be conducted online.

*Relevant Regulation: GIARR Appendix C Enclosure A.*



## Conflict of Interests

- ✓ Aligned GIARR Section 12.7 with MAS IA/II-G04 Section 4.7. GIARR section 12.7 applies to agents who own a broking business, but not corporate agents which have brokers amongst its shareholders. With this new change, it will reflect both.
- ✓ Allow the Board to nominate other members to conduct an inquiry if they are conflicted and cannot form a quorum.
- ✓ Allow members who are not from the original quorum and did not take part in the decision, to form part of the quorum for the hearing of the appeal.

*Relevant Regulations: GIARR Section 12.7, 15.4 and 17.2.*



## Agents' Premium Payment Rule (APPR) Policy Amendments

# Changes to the Regulations According to APPR 4.2



**According to APPR 4.2:** “Regulations under the General Insurance Agents’ Registration Regulations (GIARR) relating to cash agents and credit agents will be deleted once APPR is fully implemented across all personal and commercial lines business. Regulations to be deleted include **4.1(b)(iii), 9.2, 9.3, and other relevant regulations in the appendices.** The **classification of cash and credit agents will be abolished.**”.

*Relevant Regulations: GIARR, Appendix B1, B2, D, E1, E2, and F.*

# GIARR 2024



Relevant Regulations	Changes to GIARR 2024
GIARR 4.1.b (iii) and 10.2a	Deleted regulations relating to <b>ARB as a sanctioning body for outstanding premium balances and credit period.</b>
GIARR 9.2 and 9.3	Deleted regulations relating to <b>Cash Agent and Credit Agent.</b> GIARR 9.2 and 9.3 is now replaced with <b>Premium Payment Rules.</b>
GIARR 9.3b	Moved GIARR 9.3b regarding <b>90d credit limit</b> to a new section under <b>Premium Payment Rules.</b>
GIARR 10.2a and 10.2d	Added: <b>“for transactions exempt from APPR”.</b>

# Agency Management Framework

Relevant Regulations	Changes to Appendix B1
GIARR Appendix B1 1.5.2 l, 1.5.2 n, 1.5.2 o, 1.6 f and 1.8g	Deleted references relating to <b>credit agent</b> .
GIARR Appendix B1 – 1.5.2n, 1.5.2o, 1,6f, 1.7t, 1.8e, 1.8 f, 2.3c, and 2.3d.	Added: <b>“for transactions exempt from APPR”</b> .
GIARR Appendix B1 – 1.6 k to p	Deleted regulations relating to <b>Cash Collateral and Letter of Guarantee</b> .

# TSA Management Framework



Relevant Regulations	Changes to Appendix B2
GIARR Appendix B2 – 3(c), (d), 4(b)	Added: <b>“This applies to transactions exempt from APPR.”</b>

# Code of Practice

Relevant Regulations	Changes to Appendix D
GIARR Appendix D – 5.1c	<ul style="list-style-type: none"><li>• Added: “...and <b>APPR</b>”.</li></ul>
GIARR Appendix D – 10 – Premium Refund	<ul style="list-style-type: none"><li>• Added: “<b>For transactions exempted under APPR...</b>”.</li></ul>



# Agency Agreement and Tripartite Agency Agreement



Relevant Regulations	Changes to Appendix E1 and E2
GIARR Appendix E1 – 3.1b	<ul style="list-style-type: none"> <li>Deleted references to cash and credit agent and added <b>“for premiums exempted from APPR”</b>.</li> </ul>
GIARR Appendix E1 and E2 - 7 and 8.	<ul style="list-style-type: none"> <li>Deleted references relating to <b>cash and credit agent</b>.</li> <li>Section 7 and 8 (Cash and credit agent) is now replaced with a <b>Section 6 (Premium Payment Rules) and 7 (Credit Terms for Transactions Exempt from APPR)</b></li> </ul>
GIARR Appendix E1 – 12.1 (h) and Appendix E2 - 12.2 (h)	<ul style="list-style-type: none"> <li>Added a <b>termination clause if the Agent, TSA or Principal Agent fails to comply with the credit terms as stated in section 7 of the Agreement</b>.</li> </ul>
GIARR Appendix E2 – 2.5c, 2.5d, 3.1(b), 14 (new section 13)	<ul style="list-style-type: none"> <li>Added: <b>“for transactions exempt from APPR”</b>.</li> </ul>
GIARR Appendix E2 – 9 (new Section 8)	<ul style="list-style-type: none"> <li>Added: <b>“[This may be amended as necessary to reflect the commercial arrangements between the TSA and the Principal.]”</b>.</li> <li>Added: <b>“[The terms of the Principal Agent’s remuneration will be included as an Annex to the main agreement.]”</b>.</li> </ul>



# ARB Premium Payment Rules (APPR)

- ✓ Added a new **Appendix F - ARB Premium Payment Rules (APPR)**.
- ✓ Includes the APPR Exemptions and Frequently Asked Questions (FAQ).
- ✓ Includes a new section Refund and Credit Terms For Exempted Transactions.
- ✓ APPR FAQ Section 2.2 Answer - Updated the reference for Insurance Act s35ZD to s82.

# Administrative Amendments

# Fit and Proper Criteria

- ✓ To align GIARR Appendix A with MAS Notice 211:
  - a) The term “work permit” is amended to “work pass”.
  - b) TSA Nominee Agents and agents registered with the Board on or before 1 May 2005 need not possess minimum academic qualifications requirement.
  - c) Deleted 2.1(d) because the exemption given by the Board to agents to possess minimum academic qualifications as of 1 Oct 1990 now fall under 2.1(c).

*Relevant Regulations: GIARR Appendix A 2.1(b), (c), (d).*



# Letter of Consent and Letter of Release

- ✓ The Swap of PP/SP process is now automated in ARCM. The PP/SP Swap process can be initiated by any principal of an agent with any of the other principals via ARCM. ARB admin will no longer keep/collect the letter of consent/letter of release.
- ✓ Deleted Appendix F1 - Letter of Release and Appendix F2 Letter of Consent.
- ✓ Deleted the references to Appendix F1 and F2 in the other GIARR Appendixes.

*Relevant Regulations: GIARR 6.8, 6.9, 7.3, 9.5 (c), 9.5 (d), Appendix E1 4.3, 4.4, Appendix E2 4.3, 4.4, Appendix F1 and Appendix F2.*



# Agents' Registration Card

- ✓ Amended GIARR 7.4 to remove the references to agents' registration card. ARB admin no longer sends the agent's registration card to the agents.

**GIARR 7.4** - Agents can access the ARCM system to search for details regarding the renewal of their registration. The Agent's licence shall be valid (unless cancelled or suspended) until 31<sup>st</sup> December of that year subject to annual re-validation. ~~No registration card will be sent to the Agents regarding the renewal of their registration.~~

*Relevant Regulations: GIARR 7.4*



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