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**INSURANCE AGENT &  
FINANCIAL  
PRACTITIONER, ARE  
THEY THE SAME OR  
DIFFERENT?**

A man in a dark suit and striped tie is standing in front of a wooden wall. The image is partially obscured by a white text box on the left and a teal text box at the bottom.

# INSURANCE AGENT & FINANCIAL PRACTITIONER, ARE THEY THE SAME OR DIFFERENT?

BY TAN SENG CHUAN

Financial services consultant, financial advisors, financial planner are some of the common titles that representatives of life insurer & financial advisory firms hold. They are also commonly referred as financial practitioner, who are running their practice in the financial services industry. However, In the eyes of some consumers, financial practitioners are sometimes just known and regarded as insurance agent, whose role is to sell insurance or financial products. In this article, we examine the similarity and difference between an insurance agent & financial practitioner.

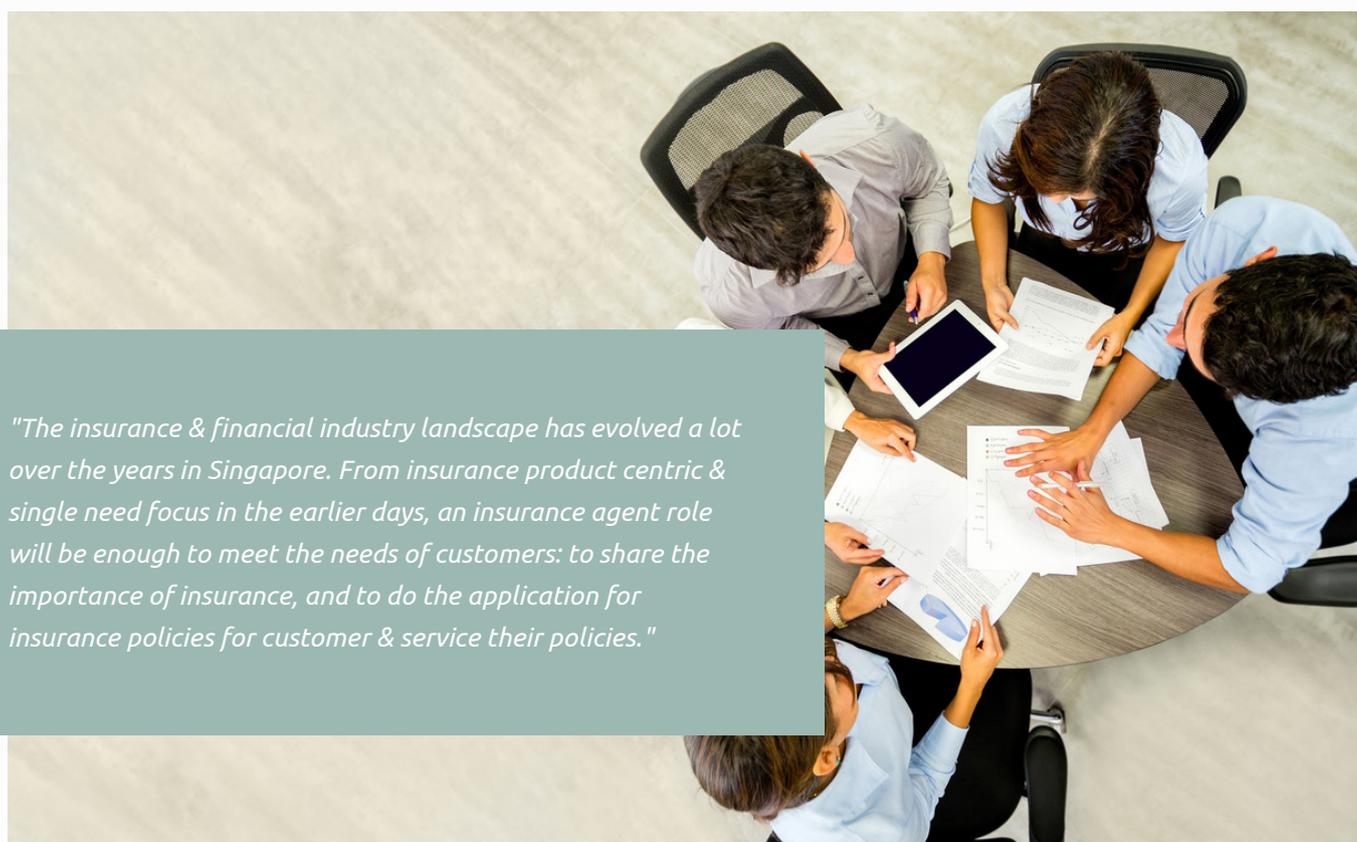
# 1. Similarity

In Singapore, insurance agent & financial practitioner are both regulated by the Monetary Authority of Singapore (MAS). They need to possess minimum entry requirement (like age, education requirement etc); clear Capital Markets and Financial Advisory Services (CMFAS) examination requirements; and fulfil continuing professional development requirements every year. They have a unique Representative Notification Framework (RNF) number registered with MAS, indicating the regulated activities that they can conduct; the principal companies which they have worked for within the past three years; and if they have had and any formal regulatory action taken by MAS.

# 2. Difference

According to the definition by Cambridge dictionary, a practitioner is “someone who works in a job that involves long training and high levels of skill” 1; while an agent is “a person who is paid to buy or sell products or provide a service for a company, but who is not a regular employee” 2. From the Insurance Act, we see that an insurance agent is “a person who, as an agent for one or more insurers (which may include a foreign insurer carrying on insurance business in Singapore under a foreign insurer scheme), is or has been carrying on the business of receiving proposals for, or issuing, policies in Singapore; collecting or receiving premiums on policies in Singapore; or arranging contracts of insurance in Singapore” 3

From the above definitions, we see that the main difference between an insurance agent & financial practitioner is not just in name, but in the work & task they do as well. An insurance agent task & role is more of a sales & transactional one, but a financial practitioner role is more a professional one, which includes financial planning & professional advice that requires skills & training, on top of the role of an insurance agent. The insurance & financial industry landscape has evolved a lot over the years in Singapore. From insurance product centric & single need focus in the earlier days, an insurance agent role will be enough to meet the needs of customers: to share the importance of insurance, and to do the application for insurance policies for customer & service their policies. In today’s context, the landscape has evolved to a stage whereby customers are having a greater demand for professional service & advice: having multiple needs; looking for financial planning, wealth management solutions & a wider range of more complex products. A financial practitioner will be in a better position to serve customers with needs analysis & planning, on top of the role of an insurance agent.



*"The insurance & financial industry landscape has evolved a lot over the years in Singapore. From insurance product centric & single need focus in the earlier days, an insurance agent role will be enough to meet the needs of customers: to share the importance of insurance, and to do the application for insurance policies for customer & service their policies."*

# The 3Cs - Competent, Caring, Compliant

As the famous Shakespeare's quote put it: "What's in a name? That which we call a rose. By any other name would smell as sweet". Whether we call ourselves as insurance agent or financial practitioner is just a name, and the most important thing to conduct and carry ourselves as professional financial practitioner. Below are the 3Cs that we can adopt and endeavour to be in our practice as financial practitioner:

## Competent

We need to be trained & equipped with skills & knowledge to serve our clients. With more complexity of services, demands & products, we need to continue our learning, training & upgrading regularly to remain competent to better serve our client.

## Caring

There is a famous saying by former US president Theodore Roosevelt: "Nobody cares how much you know, until they know how much you care". Apart from just being competent in our domain expertise, we need to be a caring advisor for our clients, to provide a listening ear to their needs; and to be there for our clients when they are in need. With artificial intelligence & machine threatening to disrupt our industry, we should even practice this unique trait of human to be caring & empathic, so that we can build lasting relationship, and be the trusted practitioner of choice by our clients.

## Compliant

Besides being competent & caring, we also need to be compliant & ethical as well. There may be situations of temptation, pressure and unintended ignorance whereby one may just do the wrong thing. As practitioners, we need to be wary of these, and constantly remind ourselves to always do the right thing and be compliant & ethical in our practice & day to day work.

In conclusion, I hope this article shares the similarity & difference of an insurance agent & financial practitioner. The difference in name is a just a minor thing. The more important thing is for us to conduct and carry ourselves as professional financial practitioner; be aware and practice the 3Cs above in our day to day work. With this, we can then be the trusted practitioner to serve & add value to our clients; to best represent our firms & companies; and together to raise the professionalism & standards of our industry.

Notes:

- 1 - <https://dictionary.cambridge.org/dictionary/english/practitioner>
- 2 - <https://dictionary.cambridge.org/dictionary/english/agent>
- 3 - <https://sso.agc.gov.sg/Act/IA1966>

## ABOUT THE AUTHOR



**Tan Seng Chuan is a licensed financial practitioner and an active IFPAS member. He holds the ChFC®/S, CLU®/S, IBFA and AEPP designations.**

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