



## **Competency Profile**

Life Insurance Agent

June 2013



# Presentation of the competency profile

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As part of the harmonization of the Canadian life insurance qualification process, consultations were held through occupational analysis workshops (OAWs) in which more than 80 agents in life insurance, accident and sickness insurance, and group insurance and annuities participated. Participants came from the provinces of British Columbia, Alberta, Ontario, Quebec and New Brunswick. As a result of these workshops, a national competency profile for life insurance agents has been drafted. Although it does not textually reproduce the workshop participants' statements, this profile covers the full scope of tasks and operations compiled during the workshops.

The first draft of this competency profile was made available by provincial regulators in order to obtain feedback from stakeholders that had not participated in the OAWs but that nonetheless had an interest in the harmonization of the life insurance qualification process. A survey was open from March 13 to April 30, 2013, and was answered by 751 respondents. Among them, 90% indicated that the profile was complete and 98% answered that all of the competency profile's competencies and competency components were relevant. Despite these positive results, a few elements were added and modifications were made to the profile in light of comments submitted by respondents. Regarding the competency profile's structure, 97% of respondents deemed that the information presented was well-organized and that components were arranged logically. As such, this final version of the competency profile constitutes a relevant and coherent reference regarding the competencies used by life insurance agents.

The competency profile's function is to list the compiled tasks and operations that a life insurance agent can accomplish upon career entry. Tasks and operations are presented as competencies. Career entry level has been defined as the level of mastery required from agents who adequately accomplish the tasks and operations expected of them in their first three years of practice.

The competencies and competency components may not apply to all agents; their relevance depends on the agent's license, products offered, target markets, the structure of their professional practice as well as many other characteristics. For this reason, the competencies and their components have not been weighted, even though some have a bigger impact on the quality of the services offered by agents. However, the full scope of tasks and operations that an agent may accomplish upon career entry should be represented in the competencies, components or competency component clarifications.

The competency profile is divided into three major sections:

- Areas
- Competencies
- Competency components

Areas are significant clusters of competencies oriented along the major axes of the occupation.

Competencies are structured as integrated groups of skills, knowledge, behaviours, strategies, perceptions and attitudes. They allow candidates to advance professionally with regard to occupational expectations.

Competency components may refer to processes, products or results. They may be formulated identically for different competencies, yet each component is contextualized based on the competency to which it refers. Clarifications are provided for each competency component to underline the gestures, products or attitudes required to accomplish them. These clarifications, however, are not exhaustive.

Some of the competencies and competency components are cyclical and do not have a defined end. In the same way, certain competencies and competency components are used by agents in conjunction with others and without following a predetermined sequence.

The competency profile does not specifically target reading, writing, speaking and mathematical prerequisites. Questions relating to these competencies were discussed during the OAWs, but, in the context of the competency profile, they are only hinted at by the wording of the competency components. When drafting the competency components, the editing team made sure that they did not surpass the mastery levels identified during the OAWs.

Another of the competency profile's features is that it is structured according to the main types of products rather than according to the products offered most frequently. This orientation favours the permanence and adaptability of the profile by distancing it from "fashionable" products and market trends. It also simplifies the profile, considering that competency components that apply to many different types of products must not be systematically repeated for each type of product.

For similar reasons, the editing team has voluntarily defined the term "client" in an inclusive manner. As such, a "client" may refer to an individual, a group or an employer. Naturally, not all competency components are equally relevant to all types of clients.

Not all competencies and competency components presented in the profile will be included in the curriculum's various components. Only those competencies and components that will be deemed relevant to the mandate of the Canadian Insurance Services Regulatory Organizations (CISRO) will be selected for the qualification exams. In conjunction with these decisions, products targeted for evaluation will also be identified. At this stage of the process, however, it is still too soon to list them.

Those competencies and competency components that are not selected for qualification will nonetheless be of interest to trainers wishing to expand their offerings in order to cover qualification exam preparation as well as requirements that favour employability and the ability to advance professionally in the field of life insurance.

## AREA A – PROSPECTING OF CLIENTS

### A1 — Implementing marketing strategies

A1.1 – Analyzing trends that influence purchasing behaviours

Includes determining the targeted clientele, compiling major trends that influence purchasing behaviours and establishing links between the two.

A1.2 – Defining product-appropriate marketing strategies

Includes compiling various marketing strategies and evaluating them according to the products offered.

This step may lead to the elaboration of a marketing plan.

A1.3 – Adopting a range of techniques to increase sales

Includes implementing the marketing plan, which may comprise the use of means such as:

- Advertisements
- Promotional tools
- Sales management systems
- Etc.

The use of these means must be compliant with provider's communication guidelines and ethics.

A1.4 – Assessing the effectiveness of selected marketing strategies

Includes comparing implemented marketing strategies, investments made and market requirements.

### A2 — Establishing business relations

A2.1 – Developing a prospecting plan

Includes determining the most relevant prospecting techniques based on products offered and targeted clientele.

Also includes determining complementary techniques, which when used together may increase prospecting results.

A2.2 – Using a range of prospecting techniques

Includes, among others, the use of such varied techniques as:

- Mass mailing (paper or electronic)
- Telemarketing (prospecting by telephone)
- Door-to-door prospecting
- Advertising (print, audio, television, electronic)
- Referrals
- Participating in social events (volunteering, sporting events, etc.)
- Networking through social media

The use of these techniques must be compliant with provider's communication guidelines and ethics as well as with other applicable laws and regulations.

A2.3 – Establishing a client relationship based on trust

Includes applying basic principles or relational marketing as well as using professional behaviours that aim to make the client feel secure.

Competencies	Competency components	Clarifications regarding competency components
	A2.4 – Obtaining references from the client	Includes using different means to target potential clients among existing clients' acquaintances as well as determining the appropriate moment for implementing these means.

## AREA B – ADVISING ON FINANCIAL SECURITY PRODUCTS

B1 — Providing advisory services in life insurance	B1.1 – Differentiating characteristics and specificities of various life insurance products	<p>Includes distinguishing, based on their characteristics and specificities, individual and group life insurance products such as:</p> <ul style="list-style-type: none"> <li>• Term life insurance</li> <li>• Whole-life (permanent) insurance</li> <li>• Universal life insurance</li> </ul> <p>Also includes the ability to distinguish the optional coverage and riders related to these products.</p>
	B1.2 – Carrying out an analysis of the client's needs, financial means, priorities and predispositions	<p>Includes collecting data through different means (know-your-client questionnaires, personal interviews, etc.) in order to determine the client's interpretation of:</p> <ul style="list-style-type: none"> <li>• His or her needs</li> <li>• The desired benefit</li> <li>• His or her ability to pay</li> <li>• His or her risk tolerance</li> <li>• His or her understanding of insurance and financial products</li> <li>• Any other information deemed relevant</li> </ul> <p>Besides the client's interpretation, this analysis also includes the evaluation of the client's predisposition and openness.</p>
	B1.3 – Drawing up the client's financial situation	<p>Includes collecting all relevant data from the client with regard to:</p> <ul style="list-style-type: none"> <li>• His or her taxation framework</li> <li>• His or her current coverage through insurance and financial products</li> <li>• His or her assets</li> <li>• His or her liabilities</li> <li>• Other benefits to which the client could be entitled</li> <li>• A portrait of his or her eventual estate balance sheet</li> </ul>
	B1.4 – Determining financial risks that could impact the client	<p>Includes using various scenarios and hypotheses to underline the main financial risks that could affect the client's situation due to premature death.</p> <p>Also includes adjusting the initial needs analysis based on the client's reactions to the various risks considered.</p>
	B1.5 – Establishing a life insurance recommendation based on the client's needs and situation	<p>Includes determining the most relevant life insurance products to aim for the most coherent alignment of the client's needs and situation and the recommendation presented.</p> <p>Elaborating the recommendation also includes:</p> <ul style="list-style-type: none"> <li>• Determining coverage amounts</li> <li>• Identifying an appropriate beneficiary</li> <li>• Selecting riders</li> <li>• Selecting complementary coverage</li> <li>• Calculating the premium</li> <li>• Establishing comparisons with similar products</li> <li>• Etc.</li> </ul>
	B1.6 – Informing the client of the recommendation's characteristics and limits	<p>Includes explaining the following to the client:</p> <ul style="list-style-type: none"> <li>• Each party's legal obligations</li> <li>• Products selected in the recommendation</li> <li>• Exclusions and coverage limitations</li> <li>• The underwriting process</li> <li>• Elements that impact the premium amount</li> <li>• Etc.</li> </ul>



Competencies	Competency components	Clarifications regarding competency components
	B1.7 – Filling out the application according to applicable laws and regulations	<p>Includes respecting laws and regulations related to the distribution of insurance products and contracts.</p> <p>Also includes collecting all required information to fill out the application and ensuring that products included in the application are those selected by the client.</p> <p>May include offering temporary insurance.</p>
B1 — Providing advisory services in life insurance (cont.)	B1.8 – Liaising with the underwriter to verify the client's eligibility	<p>Includes pre-approving the client, providing relevant client information relating to selected products, asking for medical reports or other complementary information as well as identifying differences between the initial recommendation and the underwriter's proposal.</p>
	B1.9 – Presenting the contract to the client	<p>Includes providing explanations relating to:</p> <ul style="list-style-type: none"> <li>• Surcharges</li> <li>• Exclusions</li> <li>• Options</li> <li>• Amendments to the initial recommendation</li> <li>• Etc.</li> </ul> <p>The presentation also includes explaining the policy in detail and obtaining signatures, payments or required documents to finalize the contract.</p>
	B1.10 – Renewing, modifying or replacing a life insurance contract	<p>Includes comparing new coverage and that provided by the current contract in relation to the client's current needs and situation.</p> <p>Also includes providing explanations to the client regarding potential amendments that can be brought to his or her contract. For replacements, explanations should focus on the characteristics and limits of the new contract.</p>
B2 — Providing advisory services in accident and sickness insurance	B2.1 – Differentiating characteristics and specificities of various accident and sickness insurance products	<p>Includes the ability to distinguish, based on their characteristics and specificities, individual and group accident and sickness insurance products such as:</p> <ul style="list-style-type: none"> <li>• Short- and long-term disability insurance products</li> <li>• Critical illness coverage</li> <li>• Long-term care coverage</li> </ul> <p>Also includes the ability to distinguish the optional coverage related to these products.</p>
	B2.2 – Carrying out an analysis of the client's needs, financial means, priorities and predispositions	<p>Includes collecting data through different means (know-your-client questionnaires, personal interviews, etc.) in order to determine the client's interpretation of:</p> <ul style="list-style-type: none"> <li>• His or her needs</li> <li>• The desired benefit</li> <li>• His or her ability to pay</li> <li>• His or her risk tolerance</li> <li>• His or her understanding of insurance and financial products</li> <li>• Any other information deemed relevant</li> </ul> <p>Besides the client's interpretation, this analysis also includes the evaluation of the client's predisposition and openness.</p>
	B2.3 – Drawing up the client's financial situation	<p>Includes collecting all relevant data from the client with regard to:</p> <ul style="list-style-type: none"> <li>• His or her taxation framework</li> <li>• His or her current coverage through insurance and financial products</li> <li>• His or her assets</li> <li>• His or her liabilities</li> <li>• Other benefits to which the client could be entitled</li> </ul>
	B2.4 – Determining financial risks that could impact the client	<p>Includes using various scenarios and hypotheses to underline the main financial risks that could affect the client's situation due to sickness or disability.</p> <p>Also includes adjusting the initial needs analysis based on the client's reactions to the various risks considered.</p>

## Competencies

## Competency components

## Clarifications regarding competency components

B2.5 – Establishing an accident and sickness insurance recommendation based on the client's needs and situation

Includes determining the most relevant accident and sickness insurance products to aim for the most coherent alignment of the client's needs and situation and the recommendation presented.

Elaborating the recommendation also includes:

- Determining coverage amounts
- Determining the waiting period
- Selecting complementary coverage
- Calculating the premium
- Establishing comparisons with similar products
- Etc.

B2 — Providing advisory services in accident and sickness insurance (cont.)

B2.6 – Informing the client of the recommendation's characteristics and limits

Includes explaining the following to the client:

- Each party's legal obligations
- Products selected in the recommendation
- Exclusions and coverage limitations
- The underwriting process
- Elements that impact the premium amount
- Etc.

B2.7 – Filling out the application according to applicable laws and regulations

Includes respecting laws and regulations related to the distribution of insurance products and contracts.

Also includes collecting all required information to fill out the application and ensuring that products included in the application are those selected by the client.

B2.8 – Liaising with the underwriter to verify the client's eligibility

Includes pre-approving the client, providing relevant client information relating to selected products, asking for medical reports or other complementary information as well as identifying differences between the initial recommendation and the underwriter's proposal.

B2.9 – Presenting the contract to the client

Includes providing explanations relating to:

- Surcharges
- Exclusions
- Options
- Amendments to the initial recommendation
- Etc.

The presentation also includes explaining the policy in detail and obtaining signatures, payments or required documents to finalize the contract.

B2.10 – Renewing, modifying or replacing an accident and sickness insurance contract

Includes comparing new coverage and that provided by the current contract in relation to the client's current needs and situation.

Also includes providing explanations to the client regarding potential amendments that can be brought to his or her contract. For replacements, explanations should focus on the characteristics and limits of the new contract.

B3 — Providing advisory services in financial products

B3.1 – Differentiating characteristics and specificities of various financial products

Includes distinguishing, based on their characteristics and specificities, individual and group financial products such as:

- Segregated funds
- Individual annuities
- Group annuity plans (employer-sponsored pension plans)



Competencies	Competency components	Clarifications regarding competency components
	B3.2 – Carrying out an analysis of the client’s needs, financial means, priorities and predispositions	<p>Includes collecting data through different means (know-your-client questionnaires, personal interviews, etc.) in order to determine the client’s interpretation of:</p> <ul style="list-style-type: none"> <li>• His or her needs</li> <li>• The desired benefit</li> <li>• His or her ability to pay</li> <li>• His or her risk tolerance</li> <li>• His or her understanding of insurance and financial products</li> <li>• Any other information deemed relevant</li> </ul> <p>Besides the client’s interpretation, this analysis also includes the evaluation of the client’s predisposition and openness.</p>
	B3.3 – Analyzing the client’s financial situation	<p>Includes collecting all relevant data from the client with regard to:</p> <ul style="list-style-type: none"> <li>• His or her taxation framework</li> <li>• His or her current coverage through insurance and financial products</li> <li>• His or her assets</li> <li>• His or her liabilities</li> <li>• Other benefits to which the client could be entitled</li> </ul>
B3 — Providing advisory services in financial products (cont.)	B3.4 – Determining financial risks that could impact the client	<p>Includes using various scenarios and hypotheses to underline the main financial risks that could affect the client’s ability to achieve his or her financial goals.</p> <p>Also includes adjusting the initial needs analysis based on the client’s reactions to the various risks considered.</p>
	B3.5 – Establishing a financial products recommendation based on the client’s needs and situation	<p>Includes determining the most relevant financial products to aim for the most coherent alignment of the client’s needs and situation (investor profile) and the recommendation presented.</p> <p>Elaborating the recommendation also includes:</p> <ul style="list-style-type: none"> <li>• Selecting investment vehicles</li> <li>• Establishing contribution rates</li> <li>• Calculating applicable fees</li> <li>• Establishing comparisons with similar products</li> <li>• Etc.</li> </ul>
	B3.6 – Informing the client of the recommendation’s characteristics and limits	<p>Includes explaining the following to the client:</p> <ul style="list-style-type: none"> <li>• Each party’s legal obligations</li> <li>• Products selected in the recommendation</li> <li>• Coverage limitations</li> <li>• The underwriting process</li> <li>• Elements that impact the amount of fees</li> <li>• Etc.</li> </ul>
	B3.7 – Filling out the application according to applicable laws and regulations	<p>Includes respecting laws and regulations related to the distribution of insurance products and contracts.</p> <p>Also includes collecting all required information to fill out the application and ensuring that products included in the application are those selected by the client.</p>
	B3.8 – Presenting the contract to the client	<p>Includes providing explanations relating to options or amendments to the initial recommendation.</p> <p>The presentation also includes explaining the contract in detail and obtaining signatures, payments or required documents to finalize the contract.</p>
	B3.9 – Renewing, modifying or replacing a financial product contract	<p>Includes comparing new products and those provided by the current contract in relation to the client’s current needs and situation.</p> <p>Also includes providing explanations to the client regarding potential amendments that can be brought to his or her contract. For replacements, explanations should focus on the characteristics and limits of the new contract.</p>

**AREA C – TRANSACTIONS WITH THE CLIENT**

C1 — Selling products and services

C1.1 – Planning the sale

Includes preparing required documents and material:

- Information kit
- Basic illustrations
- Brochures for various products
- Forms
- Etc.

Also includes determining a sales approach according to the client's needs, priorities and characteristics.

Preparing further includes adopting a sales-appropriate attitude.

C1 — Selling financial products and services (cont.)

C1.2 – Disclosing one's role and service offerings

Includes greeting the client by using appropriate greetings and presentation formulas as well as respecting the client's meeting criteria and requirements.

A clear and precise mandate regarding services offered should be obtained from the client following the presentation.

C1.3 – Using presentation techniques to put forward products and services

Includes the ability to:

- Translate information on products and services into plain language
- Use appropriate vocabulary to support advisory services
- Rephrase to measure a client's understanding of the information being presented

The presentation also includes disclosing the total cost and the detailed cost for each product and service.

C1.4 – Adjusting the sales approach according to the client's behaviour

Includes the ability to evaluate the client's behaviours, statements and openness in order to adapt the sales approach.

Also includes adapting presentation tools and material to the client's behaviours.

C1.5 – Negotiating with the client

Depending on the situation, includes:

- Recognizing those aspects that can be negotiated
- Using different sales pitches
- Countering the client's objections respectfully
- Amending the recommendation by common accord

C1.6 – Closing the transaction

Includes the ability to:

- Recognize the appropriate moment to close the sale
- Use the appropriate forms and documents
- Present the next steps following the sale

Also includes thanking the client.

C1.7 – Evaluating interactions with the client

Includes verifying the level of client satisfaction, recognizing aspects that should be improved and recording such observations.

May also include the identification of corrective measures to improve weaker aspects of the sales performance.

Competencies	Competency components	Clarifications regarding competency components
C2 — Providing customer service	C2.1 – Documenting interactions with the client	Includes documenting conversations, transactions or modifications in the client's file.
	C2.2 – Using techniques to develop customer loyalty	Includes elaborating an action plan to foster client loyalty that respects client expectations and ethics.  Techniques may include the use of promotional tools and personalized services to provide an added value to the client.
	C2.3 – Answering client questions and complaints	Includes using various communication tools to follow up with clients, the ability to identify their needs and to provide a satisfactory answer to the needs expressed.
C2 — Providing customer service (cont.)	C2.4 – Providing personalized follow-ups to clients	Includes maintaining relevant information on clients in order to suggest alternatives, enhancements or amendments to the current contract and to follow up on their personal situations.  Also includes the ability to personalize customer service based on client types.
	C2.5 – Processing claims	Includes the ability to: <ul style="list-style-type: none"> <li>• Know the client's file</li> <li>• Recognize required information</li> <li>• Differentiate required documents</li> <li>• Accompany and support the client during the claims process</li> <li>• Use appropriate forms</li> <li>• Communicate with the client respectfully and understandingly</li> <li>• Manage confidential information</li> <li>• Etc.</li> </ul>
	C2.6 – Implementing means to improve customer service	Includes determining customer service weaknesses and recognizing realistic means to correct them.

## AREA D – CAREER MANAGEMENT

D1 — Maintaining an updated professional practice	D1.1 – Consulting various sources of information pertaining to the field and its products	Includes turning to documentation, information folders, a mentor or more experienced representatives to update product knowledge and one's professional practice.
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Competencies	Competency components	Clarifications regarding competency components
	D1.2 – Taking part in training activities that relate to professional practice	Includes attending information sessions or training offered by products and services providers, regulators, training firms or professional associations.
	D1.3 – Maintaining compliance with professional standards, laws and regulations	Includes understanding and respecting the legal framework that applies to the field, and the ability to act in a way that respects professional standards, compliance rules and ethics.  Also includes the ability to evaluate one's professional practice on a legal and regulatory basis as well as knowledge and respect of the rights of consumers.
D2 — Structuring one's professional practice	D2.1 – Establishing a business plan	Includes determining: <ul style="list-style-type: none"> <li>• Professional goals</li> <li>• One's service offering</li> <li>• Potential markets to canvass</li> <li>• A business plan for professional practice (projected costs and revenues)</li> <li>• The need for additional human resources</li> </ul>
	D2.2 – Prioritizing professional tasks	Includes using management tools, determining tasks that can be delegated and the ability to prioritize different files to attend to and tasks to be accomplished.
D2 — Structuring one's professional practice (cont.)	D2.3 – Using information management tools	Includes compiling client files and classifying files, documents and forms used in professional practice as well as the ability to quickly find the required information to process a request.  These actions must respect the confidential nature of clients' personal information.
	D2.4 – Managing human resources	Includes knowledge of laws and regulations applicable to employee management and restricted professional acts.  Also includes the ability to communicate effectively in the context of a business relationship and to apply quality controls to employees' work.
	D2.5 – Assessing the effectiveness of the business plan	Includes evaluating the level of achievement of professional goals, balancing the budget and respecting other elements of the business plan.  This evaluation may also include the ability to formulate alternatives to the current business plan.