

# **Insurance Education and Licensing**

## **IFCE**

### **Frequently Asked Questions**

**1. Why is SAMA introducing the Insurance Competence exam?**

The Insurance Regulations require that insurance industry employees have at least a minimum level of knowledge of insurance laws, regulations and principles to be able to deal with their policyholders and customers' business. This exam will help ensure that any employee (including supervisors and managers) who handles and deals and makes decisions affecting policyholders and customers' insurance business have that minimum level of knowledge and competence. Having competent employees in the industry ensures that the insurance industry become more professional and better serves the citizen and residents of the Kingdom.

**2. Who will have to prove their competence and knowledge of insurance?**

Any insurance industry staff or middle and senior manager who deals with a customer's business or makes a decision affecting a customer's insurance business must have a proven level of insurance knowledge and competence. This means that all technical staff and managers, such as account handlers, underwriters, claim handlers, claims adjusters, audit managers, compliance officers, and technical managers will all have to prove their knowledge and competence.

**3. Do I have to prove my competence and knowledge if I have been working in the insurance industry for many years?**

Yes. Everyone in a technical or customer interfacing role must prove their knowledge and competency. It is important to remember that over the years there have been substantial developments in the industry and in the Saudi Arabian insurance industry in particular. The successful development of the insurance industry in Saudi Arabia greatly depends on having professional and knowledgeable people working in the industry.

**4. How long do I have before I have to write the exam?**

New entrants into the industry will have 12 months to write the exam. Existing insurance staff and managers will have 24 months from the date of the announcement to write the exam or prove their competence.

**5. If I already hold an insurance certificate/diploma, do I still have to write the exam?**

The Saudi Arabian Monetary Agency (SAMA), insurance supervisory and control agency, and the Institute of Banking, who is managing the competency and examination process, will recognise many equivalent

courses, certificates and diplomas from internationally recognised insurance institutes. To obtain an exemption from writing the **IFC** exam you will have to prove that you have completed a similar exam from recognised insurance program.

However, as other insurance courses do not cover the Saudi Arabian insurance regulations or code of market conduct, you will have to attend a short workshop that will cover these topics.

6. Why do I have to study the SAMA insurance regulations and market code of conduct?

SAMA is committed to assisting the insurance industry raise the professionalism of the industry and to ensure that consumers are protected from unethical practices. It is very important that insurance staff and managers have an understanding of the regulations and the market code of conduct so that they can apply the professional and ethical behaviours expected of the industry.

7. If I work in Human Resources or Accounting in an insurance company, do I still have to write the exam?

No. Only those staff and managers who are in technical-insurance or customer-interfacing positions will have to take the exam or prove their knowledge and competence.

However, it is recommended that non-insurance staff and managers working in the insurance industry study or attend a workshop on the essentials of insurance.

8. What will the exam cover?

The exam will cover the principles of insurance and insurance contracts, the main classes of insurance, the development of insurance globally and in Saudi Arabia, insurance documents and processes, the Saudi Arabian insurance law and regulations and the code of market conduct.

9. What is the passing grade for the exam?

The passing grade is 75%. Candidate will be permitted a maximum of three (3) attempts to pass the exam.

10. How can I prepare for the exam?

There are many ways to prepare for the exam. The best way is to attend an Institute of Banking (IOB) course. These courses are delivered in either Arabic or English and are spread over 5 days with the exam on the 5<sup>th</sup> day.

Alternatively, you can self-study by buying the exam study pack from the IOB. This provides a workbook and access to the exam.

**In addition, insurance companies, insurance intermediaries or other training providers may offer courses or revision workshops which may help prepare you for the exam.**

**11. Will the exam be written in English or Arabic?**

**The exam, the study material and the IOB courses will all be available in either Arabic or English. Candidates will have a choice of either language.**