



# Apprenticeships

The Chartered Insurance Institute's  
guide to getting started

100  
1912–2012  
A CENTURY OF  
PROFESSIONALISM



# Foreword

A company's success depends, for a large part, on the talent it has and the potential talent it has access to. The best way to ensure strong performance is to draw from the widest talent pool. This supports not only the firm in question, but the profession as a whole and society.

Employers within the insurance and financial services need to be able to understand the benefits that opening new and different avenues into our profession provides. Apprenticeships are one such mechanism – providing a route into our profession for individuals, and the first steps on the professional qualifications journey. Just as important, they confer a number of benefits for employers.

There have been a number of studies highlighting the value of taking on an apprentice – with the most recent finding that an apprentice can boost a company's productivity by £214 a week. Why should insurance and financial services miss out on such a lift?

Our profession is beginning to wake up to the benefits that Apprenticeships can bring and there are those within who are making Apprenticeships work. Bluefin for example, which is part of the Axa group, has employed a number of apprentices over the last few years. They were named as one of the top apprentice employers in the country and formed part of the national advertising campaign to promote Apprenticeships.

Last year saw the highest number of Apprenticeships starts in insurance and financial services but there might still be some employers, particularly small firms, being held back by worries around how to get started, about form filling and red tape, and support throughout the process. Help is available. The CII is ready, willing and able to support those firms wishing to learn more and get involved. This guide is part of that work and it provides practical advice for anyone looking to take on an apprentice.

Apprenticeships do have something to offer our profession and can play a part in our future workforce. Don't just take my word for it, see for yourself.



**Amanda Blanc**

President, CII & CEO, Axa Commercial Lines and Personal Intermediary, Axa Insurance

# CII Introduction

As professions focused on managing risk and looking to the future, the insurance and financial services sectors are used to preparing for all eventualities. One challenge we continue to face is ensuring that our profession has a high quality and diverse supply of talent in order to compete in an ever more global market.

There are several pathways into insurance and financial services. Apprenticeships, traditionally, have been a relatively untapped resource but this is gradually starting to change. Last year we witnessed over a thousand starts in Apprenticeships containing CII qualifications. We have seen more employers change their recruitment mix in order to reflect the changing post-school landscape and the concerns that some have about university fees. Our profession has a track record of developing individuals whilst they work and Apprenticeships complement this.

Apprenticeships are subsidised programmes of study that develop existing and new staff, providing a route into insurance and financial services for those who might never have previously considered the sector. In addition Apprenticeships set individuals on the professional qualifications pathway, very much in keeping with principles of the Aldermanbury Declaration, a framework for professional standards in general insurance.

As more employers look to recruit school-leavers and Apprenticeships increase within our profession, we want to support this with the publication of this guidance document. This follows our guide on internships and provides assistance on Apprenticeships to businesses operating in our sector, highlights their value and suggests how best to utilise them.

The CII is committed to supporting our profession in attracting the best, brightest and most diverse talent for the future, as well as developing those already in the sector. Our Discover Risk and Discover Fortunes initiatives have proved powerful tools in introducing young people to the careers on offer in insurance and financial planning. Apprenticeships will play a role in shaping tomorrow's profession and the CII is here to help employers get involved.



**Dr Alexander Scott**  
Chief Executive Officer  
The Chartered Insurance Institute

May 2013

# Summary

## Benefits

- Funded learning and development for your staff – new and existing.
- The opportunity to build a structured talent pipeline.
- Training delivered in the workplace.
- External support from a training provider – particularly helpful for SMEs.
- Builds a foundation for professionalism across insurance and financial services.

## Step-by-Step

### Identify the need

Apprenticeships can be used to support new entrants and develop existing staff.

### Finding a training provider

Providers help every step of the way, from accessing funding to helping with recruitment.

### Recruit and enrol

There are a number of ways to recruit an apprentice. You need to decide what methods work best for you and your potential recruits. Remember that apprentices have a formal contract of employment and receive a wage.

### Induct

Apprentices need a full and comprehensive induction; something that most employers will already have in place. This will include the Employer Rights and Responsibilities element of the programme.

### Develop and manage

Support mechanisms are vital to ensure the Apprenticeship runs smoothly. The apprentice should be clear of what is expected of them before the programme starts and should receive regular feedback sessions over the course of the programme.

### Feedback and evaluate

Employers should evaluate how the programme has gone with the apprentice and provider.

***“We’ve got to invest in our number-one resource, which is our people. And that means making sure that there is great skills, training, great Apprenticeships, making the most of people’s talent. And that, to me, is what Apprenticeships are all about.”***

***David Cameron, Prime Minister***

# What is an Apprenticeship?

Apprenticeships are work-based training programmes that are an excellent way of bringing new talent into the profession as well as developing the skills of existing members of staff. They allow apprentices to combine employment and training – earning whilst they learn. Apprentices develop technical knowledge, through the study of a professional qualification, learn key employment skills and demonstrate their competence in the world of work.

***"Apprenticeship are ideal, providing necessary skills and knowledge whilst at the same time leading to nationally recognised qualifications."***

***Anne Entwistle – Bluefin***

An apprentice can be anyone over the age of 16, not in full time education or holding a university degree. Apprentices can either be new recruits or existing members of staff.

## **77% of employers believe apprentices make them more competitive<sup>1</sup>**

Apprenticeships can be a cost-effective way of addressing skills gaps, as they attract funding. The level of funding received depends upon the age of the apprentice and where you are based in the UK (see box below). Employers work with a training provider to deliver the Apprenticeship. Whilst most of the training is 'on the job' and so delivered in the workplace, there are elements that are delivered off-site by training providers. These provider partners help to take the stress out of the setup process, in particular accessing funding.

At present there are over 240 Apprenticeship frameworks across the whole of the UK, with five of these in insurance and financial services. The frameworks are developed by the Financial Skills Partnership in collaboration with employers and professional bodies like the CII.

There are three levels of Apprenticeship available: intermediate; advanced; and higher. At present only intermediate and advanced Apprenticeships are offered in insurance and financial services, though higher level pathways are being developed.

There are a number of pathways within these frameworks which offer specialisation. These include: General Insurance; Life, Pensions & Investments; Administration for Mortgage and/or Financial Planning Intermediaries; and Pensions Administration (Level 3 only).

### **Apprenticeship Frameworks**

The current frameworks in insurance and financial services are:

Level 2 Intermediate Apprenticeship in Providing Financial Services (includes General Insurance pathway)

Level 3 Advanced Apprenticeship in Providing Financial Services (includes General Insurance and Financial services pathways)

Level 3 Advanced Apprenticeship in Providing Mortgage Advice

Level 4 Higher Apprenticeship in Providing Financial Advice

Level 4 Higher Apprenticeship in Providing Financial Services

<sup>1</sup> National Apprenticeships Service *The Business Benefits* (August 2012)  
<http://www.apprenticeships.org.uk/employers/the-benefits.aspx> (accessed 2 May 2013).  
Based on Populus research on behalf of Learning and Skills Council (February 2008)

## 78% of employers say that apprentices provide higher overall productivity<sup>2</sup>

The Level 2 framework provides a foundation for a professional career as it includes CII's IF1 unit, the compulsory unit for the CII's Certificate in Insurance. Those finishing the Level 3 Apprenticeship will complete a Certificate-level CII qualification and will be awarded the Cert CII or Cert PFS designation. Completion of the Level 4 Higher Apprenticeship in Providing Financial Advice includes the award of the CII Diploma in Regulated Financial Planning (i.e. Retail Distribution Review compliant and DipPFS designation). Completion of the Level 4 Higher Apprenticeship in Providing Financial Services includes the Level 4 Certificate in Insurance qualification, which is unique to the Apprenticeship framework.

**39% of employers in insurance and financial services said they would be willing to take on an apprentice, with a further 44% saying 'maybe'<sup>3</sup>.**

### Current Apprenticeship Funding Rules

#### England

16-18 years old – Full funding

19-24 years old – 50% funding

25 years and over – Partial funding

#### Northern Ireland

16-24 years old – Full funding

25 years and over – 50% funding

#### Scotland

Contribution towards costs

#### Wales

Fully funded regardless of age

<sup>2</sup> National Apprenticeship Service (2012)

<sup>3</sup> CII Membership Skills Survey 2012

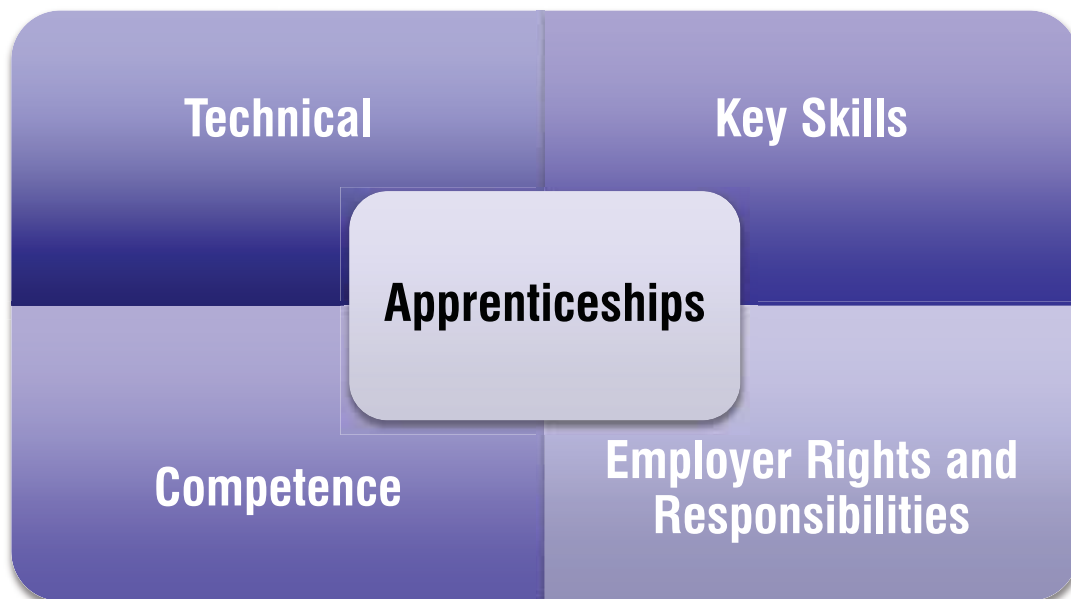
# What makes an Apprenticeship?

*“Basic skills. Rigorous courses. Practical experience.”*

*David Cameron, Prime Minister*

Apprenticeships consist of four elements that can be tailored to the varying needs of your company. These elements are:

- **Technical:** Apprentices gain technical knowledge and an understanding of the theory behind this. This is the professional qualification element and a number of pathways include CII units and qualifications.
- **Competence:** Competence qualifications comprise a menu of units based on National Occupational Standards and are very flexible, meaning that staff in different functions can take the units that are relevant to their specific roles.
- **Functional Skills:** This covers core skills, such as Maths, English and ICT, which the apprentice will need for their future career. There are exemptions for those who have completed GCSE qualifications in English and Maths.
- **Employer Rights and Responsibilities (ERR):** This forms part of the apprentice's induction and introduces the apprentice to issues such as employee rights, health and safety and equality and diversity. A company's standard induction programme can be used for this.



**57% of employers report their apprentices going on to management positions within their company<sup>4</sup>**

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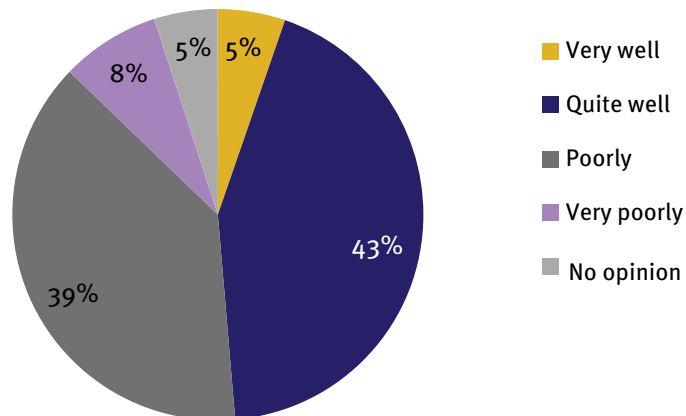
<sup>4</sup> National Apprenticeship Service (2012)

# The Benefits

Apprenticeships provide a pathway into the profession for new entrants, and a method for developing existing members of staff.

Recent CII skills surveys show that employers are worried about the quality of those entering the profession, in particular their 'employability skills' such as time keeping and communication<sup>5</sup>. Apprenticeship programmes help develop those skills.

**Thinking of recent school leaver and graduate recruits, how well do you think that our education system is serving our industry?**



We expect the number of people considering becoming an apprentice to rise over the coming years as the university fee system changes and young people consider alternative, debt-free routes into careers.

Employers that recruit apprentices often build links with local schools and colleges. This increases awareness of our profession and can help to build a steady supply of recruits.

***“Apprenticeships provide a wealth of knowledge about insurance as well as a platform for rapid development.”***

***Stephanie Willbond-Hill – Miles Smith***

There are clear business benefits to using Apprenticeships. They are a cost-effective way of developing new and existing staff, with some qualifying for full funding.

**59% of employers hiring apprentices believe that taking on an apprentice is more cost-effective than employing experienced staff<sup>6</sup>.**

Apprenticeships can help provide a competitive advantage. 77% of businesses believe that apprentices make them more competitive, whilst 76% say apprentices provide overall productivity<sup>7</sup>. A contributing factor to this is the relevancy of the training, with 88% of employers are satisfied in this respect<sup>8</sup>.

<sup>5</sup> CII Membership Skills Survey 2012

<sup>6</sup> National Apprenticeship Service (2012)

<sup>7</sup> Ibid

<sup>8</sup> Department for Business, Innovation and Skills (2012) *BIS Research Paper Number 77 Evaluation of Apprenticeships: Employers* (accessed 2 May 2013) <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/e/12-813-evaluation-of-apprenticeships-employers.pdf>



As well as benefiting your company, Apprenticeships provide a real return on the public money invested in them and also for the UK economy. For every £1 spent on an apprentice they generate £18 for the UK economy.

***80% of employers say that Apprenticeships reduce staff turnover.***

## Fact or Fiction?

*Aren't Apprenticeships just for manual trades?*

No. There are over 240 Apprenticeship frameworks with several that cover insurance and financial services.

*Won't hiring an Apprentice cost me a lot of money?*

Funding is available and so Apprenticeships are a cost-effective way of developing talent within your workforce.

*Isn't there a lot of bureaucracy involved?*

No. Your training provider deals with the paperwork so you don't have to worry.

*Aren't Apprenticeships a rigid, one-size-fits all programme?*

No. Frameworks are designed by sector bodies and employers. Apprenticeships include elements that can be tailored to meet the varying needs of different staff members.

*I run a small company. Aren't Apprenticeships only for big employers?*

No. Apprenticeships can benefit all sizes of business, including SMEs. There is specific support available for SMEs.

*What benefits will my company see?*

Apprenticeships help develop talent and meet your skills needs. They set individuals on the professional qualification journey and prove a good motivator for future development. Research has shown that apprentices help improve a company's competitiveness and productivity.

# What Employers Need to Know

## Identify the need

Before recruiting an apprentice you should identify a clearly-defined role within your business for them. It could be that you are looking to develop an existing member of staff or that you see a future need which an apprentice could be trained to fill. Taking on an apprentice is a commitment that should not be entered into lightly.

If you do not have a full-time role available but have outstanding projects, you might consider employing an intern. The CII recently published a best-practice guide to internships. To find out more about internships visit: <http://www.cii.co.uk/internships>

## Find a provider and funding

Once you have made the decision to hire an apprentice you will need, in most cases, to find an approved training provider. The CII can help you find the training provider that is right for you – email [discover@cii.co.uk](mailto:discover@cii.co.uk) for the latest list of providers that can deliver in your area.

A training provider will deliver the Apprenticeship at your place of work, and will work with you throughout the programme, providing regular feedback – leaving you free to focus on your core business.

Training providers manage all elements of the funding process for employers. The National Apprenticeship Service (NAS) is the body that funds Apprenticeship provision and allocates money to providers and colleges.

Providers will also support you with recruitment, developing training plans and programme evaluation (see below).

## Recruit and enrol

There are a number of ways of recruiting an apprentice and how you do this will depend on the age of the apprentice you are looking to recruit. You could:

- Advertise and recruit in the same way you would any employee – for example using your company website or local media, and a formal interview process. Some employers include the training provider in this process, as they have experience and insight of knowing what makes a good apprentice.
- Liaise with NAS and utilise their vacancy matching service
- Use the CII's Discover Risk website [www.discoverrisk.co.uk](http://www.discoverrisk.co.uk).
- Recruit directly from schools/colleges. This is helpful if you have developed a good relationship with a particular institution, perhaps through supporting Discover Risk/Fortunes events.

When looking to recruit a younger apprentice (16-18) you should remember that they will have little, if any, work experience and so this should be a consideration when designing your recruitment process.

Once you have made your recruitment decision, apprentices will have a formal contract of employment that should reflect the fixed term nature of the Apprenticeship<sup>9</sup>; employment must be for at least 30 hours per week<sup>10</sup>.

There is a national minimum wage (NMW) for apprentices, though many employers choose to pay their apprentices more than this.<sup>11</sup>

## Induct

Apprentices should receive a full and comprehensive induction – as you would give any new member of staff. Introducing them to their new colleagues helps an apprentice feel part of their new team.

A discussion about expectations, their role within the company and learning objectives should be at the heart of the induction so that the apprentice has a clear understanding of what to expect.

The induction should also include one of the compulsory parts of the Apprenticeship, the Employer Rights and Responsibilities section. This introduces the apprentice to working life, what is expected of them as well as their rights<sup>12</sup>.

Finally, the induction plays a role in providing the apprentice with a good impression of their new employer and a chance to understand the structure, values and culture of the company.

## Develop and manage

For all parties to receive maximum benefit from the programme, you as the employer will need to provide the relevant support mechanisms. In the case of apprentices already with your company, this will be substantially less than a new joiner.

In addition to the support from the training provider on the programme, apprentices should have clear work plans and should receive ongoing feedback and coaching from their manager. They are there to learn and gain the skills to succeed within our profession and so the tasks they undertake should reflect this. Apprentices should not be viewed as cheap labour or as someone to “do the photocopying”. They have made a big commitment in undertaking the Apprenticeship and it is your responsibility as an employer to support them. An Apprenticeship is a foundation for a professional career and the role should reflect this.

As well as a manager/mentor who has responsibility for the apprentice, you should also consider assigning a buddy to them. This person could be junior to the manager and able to offer informal support and help. Having a buddy and mentor system offers an opportunity to develop management skills of other staff.

## Feedback and evaluate

It is good practice to hold regular feedback sessions with the apprentice and the training provider. Apprenticeships are a collaborative learning process and companies should always take the time to review progress and make any required improvements.

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<sup>9</sup> For more on employer rights and legislation see pg 28, CIPD (2012), *Apprenticeships that Work: a guide for employers*. Available at <http://www.cipd.co.uk/publicpolicy/apprenticeshipsthatwork> (accessed 2 May 2013)

<sup>10</sup> Though there are some cases where this is 16 hrs p/w <http://www.apprenticeships.org.uk/Employers/The-Basics.aspx>

<sup>11</sup> <https://www.gov.uk/national-minimum-wage-rates> (accessed 2 May 2013)

<sup>12</sup> Pg13 CIPD (2012)

## What happens next?

The majority of those completing an Apprenticeship remain with their employer – repaying the investment of time and money as well as becoming a committed member of staff.

The end of an Apprenticeship does not signal the end of that individual’s development. Recent Ofsted research shows that apprentices are likely to carry on studying higher levels of professional qualifications<sup>13</sup>.

**82% of companies that have an apprentice say they build long-term skills and capacity<sup>14</sup>.**

### Three things to remember...

1. Apprenticeships provide a cost effective way to develop new and existing staff. They are a valuable tool in securing future talent.
2. Apprenticeships provide the first step on the professional qualifications ladder. Most apprentices go on to study higher lever qualifications.
3. The CII is here to help. Email: [discover@cii.co.uk](mailto:discover@cii.co.uk)

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<sup>13</sup> Pg 7 Ofsted (2012), *Apprenticeships for Young People*. Available at <http://www.ofsted.gov.uk/resources/apprenticeships-for-young-people> (accessed on 2 May 2013)

<sup>14</sup> Pg 4 British Chambers of Commerce (2011), *Skills for business - more to learn*. Available at [http://www.britishchambers.org.uk/assets/downloads/policy\\_reports\\_2011/Skills%20for%20business%20-%20more%20to%20learn.pdf](http://www.britishchambers.org.uk/assets/downloads/policy_reports_2011/Skills%20for%20business%20-%20more%20to%20learn.pdf) (accessed on 2 May 2013)

# Case Study: Amy Williams

## Bluefin

Amy Williams: “I am 19 years old and joined Bluefin private clients division in October 2008 as a new business team administrator after leaving Allerton High School in Leeds with eight GCSEs.

“Our Apprenticeship provider, Skills Solutions, visits the office once a month. Typically, it provides three and a half hours tuition on the Cert CII subjects and a further hour on a one-to-one basis to review my files and ensure that my work meets the requirements of the NVQ element.



**“The Apprenticeship has broadened my knowledge of insurance and given me the confidence to ask customers the right questions so we can be sure of giving them the best service.”**

Matthew Pitman (Amy’s manager): “When Amy joined Bluefin, we felt that the Level 2 Apprenticeship was ideal for equipping her with the necessary skills and knowledge. The great thing is it enables Amy to achieve nationally recognised qualifications without much additional effort, since the Apprenticeship provides credit for her day-to-day work.

“We are delighted that Amy has progressed onto Level 3 and now handles some of the more complex work for the team. Additionally, Amy is more willing to challenge the established processes and tends to think beyond her own role and about how compliance and regulation impact on her and the team.”

# Useful Links

**CII** – [www.cii.co.uk](http://www.cii.co.uk) features the latest list of approved Apprenticeship providers and the frameworks that contain CII qualifications.

**Discover Risk** – [www.discoverrisk.co.uk](http://www.discoverrisk.co.uk) is the CII's student-facing website and features several providers as well as case studies of successful apprentices. You can use the site to build your profile and recruit apprentices.

**National Apprenticeship Service** – [www.apprenticeships.org.uk](http://www.apprenticeships.org.uk) features plenty of information about the frameworks available. NAS can also advise on how to post opportunities on their Apprenticeship Vacancy Matching Service website.

**Financial Skills Partnership** – [www.directions.org.uk](http://www.directions.org.uk) the Financial Skills Partnership own the Apprenticeship frameworks which are developed in conjunction with employers and employer organisations.

# Contact

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Visit: [www.discoverrisk.co.uk](http://www.discoverrisk.co.uk)

## The CII: Promoting Skills Development

**Discover Risk** is an award-winning campaign that reveals the breadth of opportunity in the insurance profession to those still in education. Integral to this are interactive sessions in schools and colleges that introduce young people to the concepts of risk and how they are applied in practice around the world. These sessions are supported by local employers.



**Discover Fortunes** is a school, college and university activity that provides students with an understanding of the role of financial planning in life. These sessions are supported by local employers.



For more information visit: [www.discoverrisk.co.uk](http://www.discoverrisk.co.uk) or email [discover@cii.co.uk](mailto:discover@cii.co.uk)

**Publications** The Chartered Insurance Institute is a committed supporter of skills development. We regularly publish research, guidance and position papers on the issue of skills, both in terms of our profession and UK plc.



For more information visit: [www.cii.co.uk/skills](http://www.cii.co.uk/skills)

The CII is the world's leading professional organisation for insurance and financial services, with over 112,000 members in 150 countries.

Our Charter remit is to protect the public by guiding the profession. We are committed to maintaining the highest standards of technical expertise and ethical conduct in the profession through research, education and accreditation.

