



# The importance of being Chartered

The Chartered Insurance Institute

100  
1912–2012  
A CENTURY OF  
PROFESSIONALISM



# Foreword

In an age of uncertainty and public concern over trust, Chartered acts as a kitemark for quality in the eyes of the public and is widely recognised as a something people can trust. The logical extension of the CII's Royal Charter's purpose to protect the public interest, is the need for continual development and promotion of Chartered status, both for individuals and for firms.

2012 saw the CII celebrate a century of its Royal Charter – something, quite rightly, to be proud of. Chartered is a mark that has stood the test of time and which is still instantly recognisable. But what does it mean? And what is it worth?

A uniquely British institution, yet something that has developed a strong global reputation, a Royal Charter is a hallmark of quality and excellence for whichever profession it represents – and insurance is no exception. Charters are not awarded lightly – quite the opposite, as they require a commitment to the highest standards of professionalism and continued learning.

This is not lost on the insurance and financial services profession, who are striving in ever-greater numbers to reach what is regarded as the pinnacle of our profession. By the end of 2012 over 20 thousand individuals and over 600 firms had met the necessary requirements and pledged to uphold the standards expected of Chartered professionals.

The value a Royal Charter embodies is understood by the public at large, who trust Chartered professionals – recognising the dedication required to reach that level and the commitment to high standards of knowledge and conduct.

In an age where the public spotlight and external scrutiny are never far away and consumers are more challenging than ever, being Chartered helps you stand out from the crowd. Where trust and confidence is hard to come by, a Charter symbolises the very best of a profession.



**Amanda Blanc**  
President, The Chartered Insurance Institute

# 1. What is a Charter? What does it mean?

Royal Charters date back as far as the 11<sup>th</sup> century and today cover a range of bodies including universities, charities and professional institutions. It is the Monarch, on the advice of the Privy Council, who grants Charters. Originally, a Royal Charter was the only way to incorporate a company, whereas today new Charters are normally reserved for bodies that work for the public interest.

Charters are granted very rarely, and a body applying for a Charter is expected to meet a number of demanding criteria. Among these are that the institution should comprise members of a unique profession which is able to demonstrate a track record of achievement over a number of years. Above all else, there should be a convincing case that it is in the public interest to provide Government oversight of the body, as future amendments to the Charter and bye-laws of the body will require Privy Council approval.

Chartered professional bodies submit to review and monitoring by the Privy Council. They volunteer for this Government oversight because of the high standards that Charters stand for and because it is something recognised by consumers – as demonstrated by the research covered later in this paper. Unlike trade bodies, which represent the interests of their members, Chartered bodies are bound to protect the public interest above that of their members.

Once a professional body is granted a Charter, it is then able to grant Chartered titles to those individuals and firms which meet strict qualifying criteria. For example, the CII must uphold the rules of its Charter, which means that holders of our Chartered titles must comply with the CII's CPD requirements and abide by the Code of Ethics.

Anyone engaging the services of a Chartered professional can expect that the person sitting opposite them meets the highest professional qualifications for that profession; that those standards are monitored and kept up-to-date through continuing professional development; and that there is a robust disciplinary process if things go wrong.

Although Royal Charters have been around for centuries, they should not be considered historic relics. Far from it. They remain as relevant today as they have ever been. One just has to look at the on-going debate around standards across sections of public life, consider the ever increasing public scrutiny and awareness of such issues, and the fast pace of change in today's world.

Put simply, Chartered is seen by professionals and the public alike as a kitemark for trust and quality.

## 2. The Chartered Insurance Institute – Charter & Chartered titles

The CII was granted its Royal Charter in 1912 and in the following century the Institute has continued to uphold the public interest. One of the ways of doing so is by granting Chartered status to individuals and firms that meet the required standards.

### Chartered Individuals

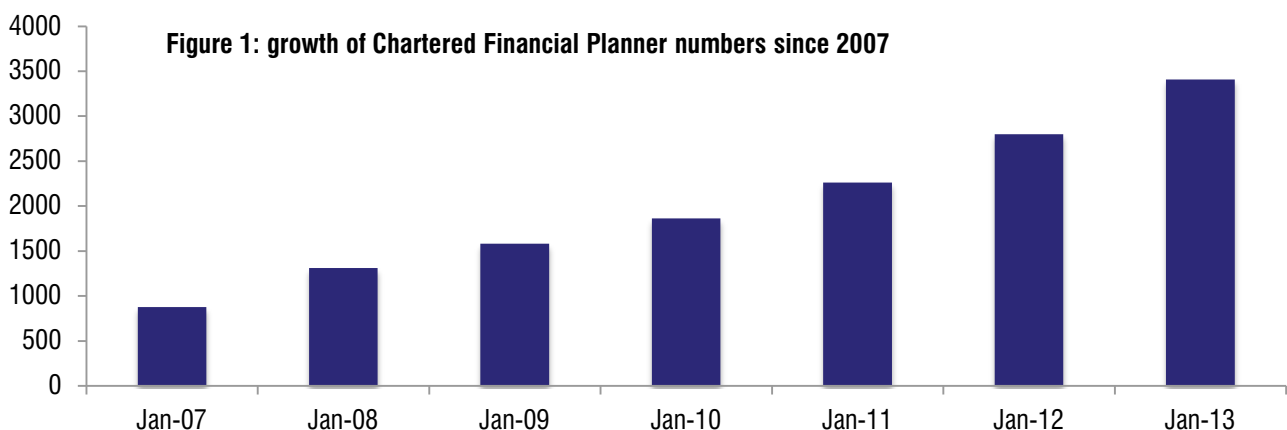
In order to be able to call themselves Chartered practitioners, individual members have to meet strict qualifying criteria:

- hold a professional level CII qualification: Advanced Diploma in Insurance/Fellowship for the insurance Chartered titles (Broker, Insurer, Practitioner) or Advanced Diploma in Financial Planning for the Financial Planner title (these are CII qualifications equivalent to honours degree level);
- have five years' relevant industry experience;
- be able to demonstrate that their continuing professional development is up-to-date and commit to an ongoing programme of continuing professional development;
- adhere to the CII's Code of Ethics; and
- be a member of the Chartered Insurance Institute or the Personal Finance Society, depending on the title being applied for (so they are individually accountable to a disciplinary process).

The growth in the number of individual Chartered professionals has been impressive over recent years as practitioners have realised the benefits that it brings. In 2009 we had 18,000 Chartered members and by March 2013 this had grown to 21,331 Chartered members. The breakdown of Chartered members is as follows:

- Chartered Insurance Brokers 2,897
- Chartered Insurers and Chartered Insurance Practitioners 14,921
- Chartered Financial Planners 3,513

The number of Chartered individuals within insurance illustrates the penetration of the market that has been achieved. The growth of Chartered Financial Planner has been particularly impressive as this was only introduced in late 2005. Indeed it has doubled in the last three years.



## Corporate Chartered Status

Chartered status is not limited to individuals. In 2007 we gave those firms with a commitment to professional standards the opportunity to apply to become Chartered as a corporate entity.

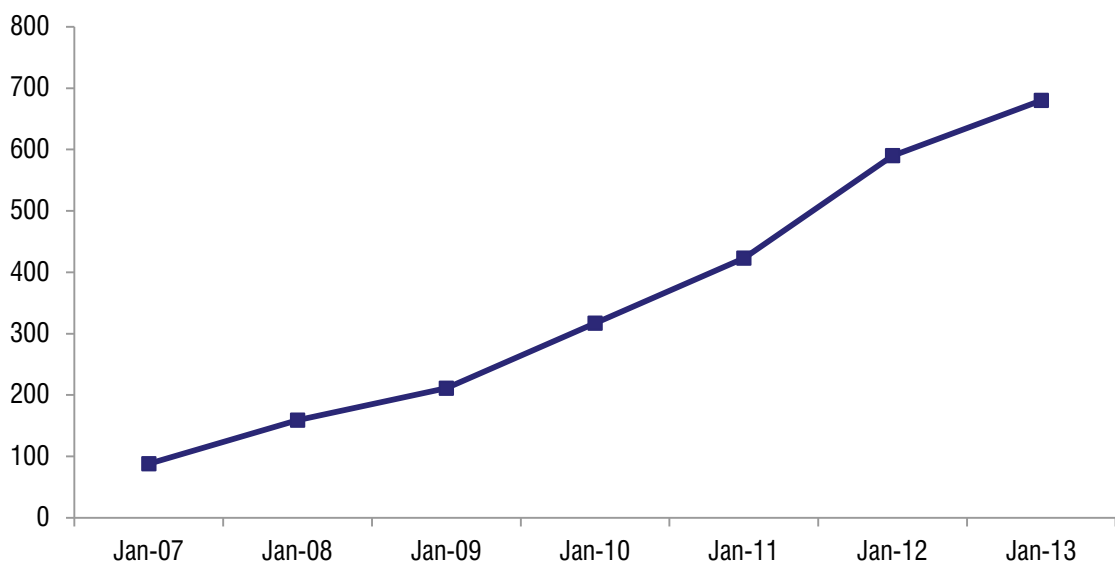
Firms applying for Chartered status have to:

- have at least one board member holding a Chartered title;
- all board members, and 90% of customer facing staff have to be members of the CII (and thereby adhering to our Code of Ethics and CPD requirements);
- have an appropriate professional development programme in place; and
- have in place core values and business practices that align with the CII Code of Ethics.

Though the criteria are rigorous, we have seen a steady rise in numbers since the introduction of the Corporate Chartered title. By March 2013 the number had reached 669 firms.<sup>1</sup> This breaks down as:

- Chartered Insurance Brokers 145
- Chartered Insurers 22
- Chartered Financial Planners 502

**Figure 2: Growth in Chartered Firms since 2007**



## Corporate Chartered title review

The CII believes that the first five years of Corporate Chartered Title (CCT) have been a runaway success. However, we believe it is time to look at the process and standards anew to ensure they continue to be both relevant and robust, and crucially stand up to public scrutiny.

In 2012, we initiated an independent review under the aegis of the CII's Professional Standards Board to look at what needs to be done to guarantee that CCT remains relevant, both to the market and to the wider public.

The review has included a formal consultation that sought the views of stakeholders on how best to safeguard, and indeed enhance, the reputation of its title holders in future years.

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<sup>1</sup> As of 31 March 2013

## Maintaining the standard

For the public and businesses to have faith in Chartered status, they need to know that if wrong doing occurs there is a process in place to deal with it. As well as bringing wrongdoers to book, it protects the integrity of Chartered. If, once the title has been awarded, an individual breaches the Code of Ethics or fails to undertake CPD their title could be rescinded following a disciplinary process. The same goes for a firm, should they not comply with the necessary criteria. This is an important component of maintaining standards and building public trust within our profession. It also ensures that the titles and the processes surrounding them are credible.

***“We get a lot of positive feedback from clients regarding the status, especially Dubai where we are one of only two brokers that have achieved it.”***

***Rachel McDonnell, Head of Operations, Lockton Companies***

## The global standard

Although Royal Charters are uniquely British, there is a keen awareness of the value of Chartered outside the UK too. Indeed the Chartered kitemark has a surprising resonance internationally as a badge of quality. Being able to demonstrate an on-going commitment to professionalism and high standards translates into all languages and is recognised the world over. The strength of a number of many professional bodies' Chartered titles internationally is testament to this, such as ACCA and RICS.

## CII Chartered Campaign

The CII is working to support this continuing growth by promoting Chartered titles for practitioners and firms, both within our membership and the broader insurance and financial planning sector, to encourage take up of a higher standard. We are also reaching out to the general public in order to convey the value of the Chartered title in raising professionalism and building trust.

Consumer research we conducted with Opinium highlighted how important professional standards can be in regaining the public's trust in financial services.<sup>2</sup> Following the initial banking crisis of 2007-08, we have witnessed a double-dip recession and high profile scandals, such as LIBOR fixing and PPI mis-selling – all of which have hit public confidence in financial services, including areas where there was no direct involvement. Therefore, it is not surprising to find that almost two thirds of people, when dealing with the financial sector, want to speak to a professional (i.e. a qualified individual). This represents a sharp rise from 2009 when only 41% of the public preferred dealing with professionals.



<sup>2</sup> CII, *Chartered consumer research 2012 with Opinium Research*, <http://bit.ly/17Z4mNu> accessed 21 May 2013. Opinium Research undertook an online survey of 2,015 adults in April 2012

“Chartered status helps us to attract and retain the best people because it demonstrates the investment we make in them as well as in the business. It also opens doors to other companies who want to deal with a Chartered organisation as it differentiates us from those insurers with no comparable evidence of their professional status.”

*Stuart Payne*

Stuart Payne, BA (Hons), ACIL, ACILA  
Chartered Insurer  
Vice President, UK/ire Underwriting Service Centre  
Chubb Insurance Company of Europe SE



cii.co.uk/chartered

We believe that Chartered titles have a big role to play in securing the successful development and reputation of the insurance and financial planning sector. Part of our role as a professional body is to ensure that our members develop the highest standards of professionalism and to promote the fundamental values of professionalism to our members and the public.

With more and more individuals taking on higher levels of qualification, we are optimistic about the further future growth of numbers of Chartered title-holders, and the higher standards of professionalism this will reinforce across the sector.

The growth of the Chartered movement of both individual and Chartered Firm Status is a key feature of the market’s recognition and commitment to the voluntary impetus to raise professional standards. Chartered status enables individuals and firms alike to demonstrate their professional commitment to raising standards of knowledge, capability and ethical practice. It is a signal to customers that they can expect the highest quality of service. With increased regulation, changes in the market and media scrutiny and rising consumer expectations Chartered status can play its part in ensuring the profession continues to raise its game.

***“Chartered status, which represents the global standard of professional excellence and integrity, has been achieved by no less than 621 firms, up 100% since 2009.”***

***Amanda Blanc, CII President’s Dinner speech 2013***

### 3. Building the case for Chartered – public perception and the business view

In order to be able to promote Chartered status and highlight its benefits, it is important that we are able to demonstrate the value it carries with the public, with businesses and other professions. The CII’s Chartered campaign is supported by original research into awareness and views about the Chartered title. Since our first series of surveys back in 2009 in which we questioned our members (both Chartered and non-Chartered), the general public, and MPs, there have been a number of other pieces of research looking at attitudes towards Chartered status and the value it carries.

#### The public’s view of Chartered

Many qualifications are well-recognised and highly-regarded within their specific sectors, while remaining unknown and confusing to the average person – a mysterious ‘alphabet soup’ rather than a clear indication of competence. However, research shows that the sense of Chartered as a brand of quality has resonance across the professions.<sup>3</sup>

We found strong evidence that this applies to insurance qualifications, where public recognition of Chartered far outstrips all other qualifications, whether they be awarded by the CII or another professional body.

This does not in any way diminish the specific, technical value of other advanced professional qualifications within the profession – for example, Fellowship remains very highly prized within the profession. But it does emphasise the importance of ‘Chartered’ as a recognised brand to the public.

With recognition, it appears, comes confidence. The public ranks Chartered number one in terms of confidence in their professionalism, over other designations and qualifications. An understanding of what Chartered status embodies, in terms of professional and ethical standards, helps to enhance confidence towards it.

**Figure 3: Please rank the following qualification levels in terms of which provides you with the most confidence that the person you are dealing with is a professional.<sup>4</sup>**



<sup>3</sup> CII, *Chartered consumer research 2012 with Opinion Research*

<sup>4</sup> Ibid



This confidence in Chartered was backed up by independent research undertaken by Skandia UK in 2012 which found that 86% of consumers believing that Chartered status was ‘attractive’ – and of those, over half considered it ‘extremely attractive’.<sup>5</sup>

## Expectations

An understanding of what Chartered embodies, breeds a level of public expectation. Two thirds of consumers expect insurance/financial services advice professionals to have Chartered status (or a full degree).<sup>6</sup> Public sentiment towards Chartered status is strong as another survey found 80% of people believing that firms or individuals who do not commit to the Chartered status criteria should not be allowed to provide insurance or financial advice to consumers. The message from the public is a clear one.

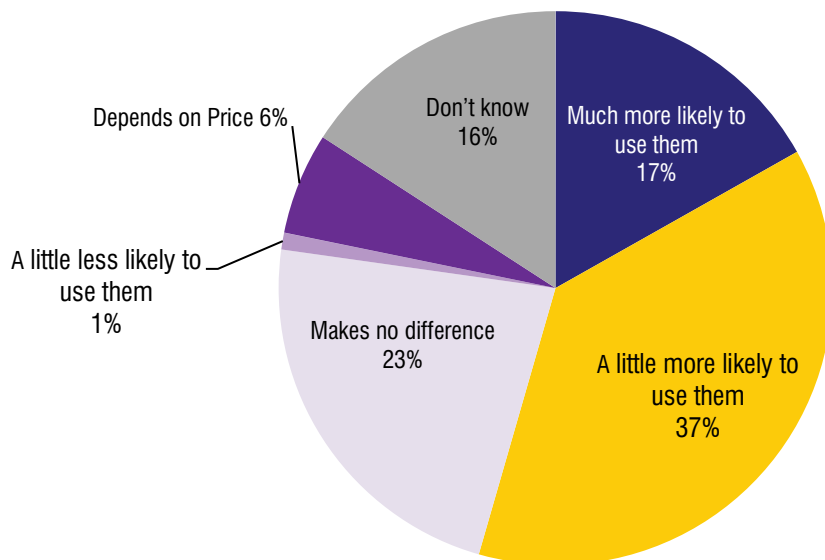
***When asked why they would choose Chartered, the overwhelming reason was that employees were more highly qualified.***

The central tenets of being a Chartered professional, such as following a code of ethics and undertaking on-going learning, help build public confidence and are highly valued. In 2010 we found that 95% of people expect insurance/financial service advice professionals to adhere to a clear code of ethics. Nearly 9 out of 10 people would not trust those who did not and the same number would expect them to be punished if they fail to do so.<sup>7</sup> This latter point highlights the importance of having a robust disciplinary system to uphold public trust.

The figures are very similar in relation to continuing professional development with almost 95% of consumers expecting practitioners to take part in on-going learning; 87% said that they would not trust those who did not do so.

## Trust and confidence

So we know that the public recognises Chartered status and expects commitment to ethical behaviour and continued learning – but does this manifest itself in an increased willingness to use and to trust a Chartered professional or firm?



**Figure 4: If a firm carried the Chartered title what difference would this make in your likelihood to use them?**

<sup>5</sup> Skandia UK, <http://bit.ly/1oK5wDI>. Accessed 21 May 2013

<sup>6</sup> Regulatory dividend research 2010

<sup>7</sup> Ibid

Almost two thirds of consumers who expressed an opinion (64%) said that they would be more likely to use a Chartered firm than a non-Chartered one.<sup>8</sup> This is even more significant when one learns that respondents were given the option to answer 'it depends on the price' – only 7% chose this.

When asked why they would choose Chartered, the overwhelming reason was that employees were more highly qualified. In the eyes of the consumer there is no substitute for being able to demonstrate acquired knowledge. Adherence to a code of ethics was another deciding factor as was the perception that those practitioners who are Chartered are more likely to 'do the right thing' by their customers. These findings highlight that Chartered, and all that it stands for, resonates well with the public and is recognised as a positive force.

***The figures are very similar in relation to continuing professional development with almost 95% of consumers expecting practitioners to take part in on-going learning; 87% said that they would not trust those who did not do so.***

## Businesses

It is not just the public that values Chartered – other businesses are well aware of what Chartered status stands for. Almost three quarters of SMEs are more trusting of advice given by Chartered individuals, whilst over two thirds are similarly as positive about Chartered firms.<sup>9</sup> Indeed there is an expectation from almost half (46%) of SMEs that an insurance practitioner providing advice to their business is Chartered. Another survey found that, of those businesses who had used an insurance broker in the past, 56% would be willing to pay more for someone who was committed to the Chartered criteria – i.e. professional qualifications, continuing development and adhering to a code of ethics.

Chartered status is recognised by members of the public, by businesses and by practitioners themselves as the gold standard – both in terms of the levels of knowledge required and the adherence to a code of conduct. And it is not simply a case of recognition, as in many cases consumers act by choosing Chartered over non-Chartered, and people are willing to pay extra for it.

***Confidence in Chartered is backed up by independent research undertaken by Skandia which found that 86% of consumers believe that Chartered status is 'attractive'.***

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<sup>8</sup> CII, *Chartered consumer research 2012 with Opinium Research*

<sup>9</sup> Opinium Research carried out an online survey of 310 SME Insurance Decision Makers who consult an insurance broker between 17-23 August 2011

## 4. View from the Chartered community

*"It's no good rolling your eyes and thinking that 'chartered status won't make a difference' - the reality is that clients and customers value these things."*

*Peter Davies, Director, RMS PR*

We have seen that, in the eyes of the public and of businesses, Chartered status carries a distinct value. What about those who have attained the status? What is the view of Chartered practitioners, and what benefits (if any) have they found?

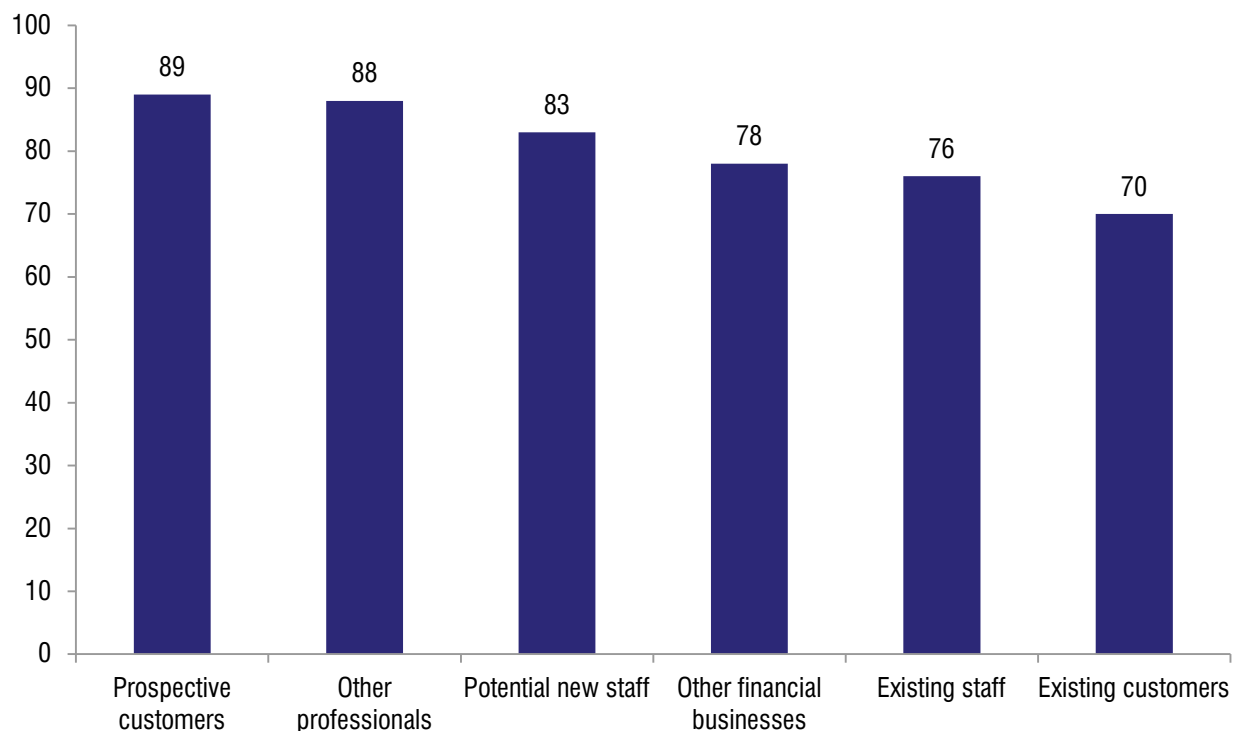
Credibility and improved perception are the watch words here. Nine out of ten Chartered Financial Planners said that their motivation for gaining the status was to improve their standing with other Chartered firms – in order to benefit from future referrals.

*"It says you know what, you're not just a good insurance broker, you're a good business. And good businesses like working with other good businesses."*

*Rob Thacker, Director, Pound Gates*

When asked whether this had proved to be the case, the answer was a resounding 'yes'. The vast majority of Chartered firms questioned believed that by achieving the status, they had enhanced their perception with perspective customers, existing customers and other professionals.

**% of Chartered firms agreeing that Chartered status had enhanced their perception with...**



## Peer thinking

Research from JP Morgan supports the view that Chartered status improves how a firm is viewed within professional markets. It showed that 68% of solicitors and 62% of accountants believe holding Chartered status is important for evaluating a new IFA.<sup>10</sup> In a separate survey 94% of prestige journalists (i.e. editors and deputies of national personal finance sections) say that they would recommend a Chartered practitioner over a non-Chartered one.<sup>11</sup>

***“We’ve seen a lot more interest from professional introducers such as solicitors and accountants who understand the value of Chartered status. It’s made more doors open.”***

***John Chapman, Managing Director, Torquil Clark (Chartered Financial Planners)***

In addition to bringing in new business, Chartered status can also help attract new members of staff. In 2009 two thirds of Chartered Insurance Brokers thought that being Chartered enhanced perceptions with potential new staff. Three years later when asked the same question, this figure had risen to 82%. The picture is a similar one when it comes to existing staff and so as well as being a good recruitment tool, Chartered status can also support staff retention.

***“People want to work for us. They like the fact we are committed to the values associated with Chartered status.”***

***Stuart Payne, Vice President, UK and Ireland underwriting service centre manager, Chubb***

***The vast majority of solicitors and accountants source IFAs through personal or professional recommendation. When evaluating advisers, these professions place very strong emphasis on qualifications, looking for firms with certified or chartered status. Years of experience are important but secondary.***

***JP Morgan, Professional Connections: creating opportunities between IFAs and other advisory professionals***

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<sup>10</sup> JP Morgan, *Professional connections: creating opportunities between IFAs and other advisory professionals*, 2012

<sup>11</sup> Press choice, *What the media thinks of Chartered*, 2012

# 5. The Chartered future

***“Being Chartered will become the norm within the next ten years. In the next few years I expect to see a tipping point where rather than asking [a firm] whether they are Chartered, the question will be why are they not Chartered.”***

***Alasdair Stewart, Commercial Director, Axa commercial lines***

The Royal Charter’s ambition to “secure and justify the confidence of the public” is at the heart of our efforts to guide the sector to a new standard of excellence fit for the twenty-first century.

Consumer trust is more important than ever. In this sense, the Charter, synonymous with trust, provides us with a modern context for the professional body model.

Even before the financial crisis, the growing power of the end customer due to more and better information has meant a steep rise in consumerist values. People have lost trust in the traditional authorities, preferring to trust in ‘people like me’ over professional experts.

Yet Chartered is a brand that has stood the test of time. It is known and trusted in the UK, and prized as a global standard across the world.

While consumer recognition of Chartered is much higher than any other designation in the insurance and financial planning sector, there is more work to be done in raising the profile of our Chartered titles to be as recognised as, for example, Chartered Accountant and Chartered Surveyor.

The CII is working to strengthen our Chartered titles by increasing public awareness and knowledge about what it means. Our Chartered campaign is an ongoing initiative. We see it as an integral part of our wider professionalism agenda, along with ethics, CPD, regulation, and diversity.

As the sector faces up to skills shortages, an increasingly complex and competitive marketplace, and ongoing regulatory challenges, we must evolve higher standards of professionalism. The Chartered title is a strong foundation, and a powerful tool for differentiating oneself and conveying professionalism.

The direction of travel is positive as more and more practitioners and firms make the Chartered commitment. The importance of Chartered to the public is recognised by independent financial advisers who believe that in five years time being Chartered will be more important to a client than being independent.<sup>12</sup>

The future is bright for those wishing to demonstrating professionalism. We will be here to support and guide our members, and the profession as a whole, along the way.

***“One day soon the titles Chartered Insurer and Chartered [Insurance] Broker will trip easily off the tongue.”***

***Neil Clutterbuck, Director, Underwriting & Technical, Allianz***

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<sup>12</sup> FS magazine, September/October 2012 edition, PFS Conference Supplement p25

**21,331** Chartered practitioners (as of 31 March 2013)

**680** Chartered firms (as of 31 March 2013)

**25%** rise in Chartered Financial Planner firms during 2012

**86%** of consumers find Chartered to be attractive

**17,818** Chartered individuals across general insurance

**94%** of prestige journalists that would recommend a Chartered practitioner over a non-Chartered one

**89%** of Corporate Financial Planners believe that Chartered status has enhanced the perception of their business with prospective customers

**3,513** Chartered Financial Planners

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.



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