

Aldermanbury Declaration

- one year on: delivering the declaration



Author: Joel Turland

The Aldermanbury Declaration was launched a year ago to great fanfare. Joel Turland takes a look at its success in driving professional standards.

Just over a year ago, a taskforce chaired by the then-president of the Chartered Insurance Institute Barry Smith published the Aldermanbury Declaration — a framework of professional standards aimed at making those operating in the insurance market more confident and trusted professionals able to deliver consistently better customer service. The declaration was the result of several months of deliberation by a committee of senior members from across the industry and has retained a high profile over the past 12 months.

The CII has openly admitted that the proposals within the declaration are ambitious — but realistic. All insurance and broking firm signatories are expected to have fully implemented the proposals by December 2013.

Gold standard

'Corporate chartered' status for insurance firms was also launched by the CII at the same time. Corporate chartered status for brokers was introduced in 2007 and the new scheme created a similar concept for insurers.

More formal in its approach than the declaration, chartered status is now seen as the gold standard for brokers and insurance firms to achieve. Chartered status is not mandatory and is unlikely to become so, but it is a term that the public links to professionalism more than any other, and is seen by the profession as the pinnacle to aim towards.

Whereas continuous professional development and ethical standards are at the very heart of the declaration, formal qualifications are an adjunct to support and reflect these central concepts. It is about onward improvement of standards not just gaining certificates or initials after one's name.

One year on, 200 firms have signed up to the declaration which is at the upper end of industry expectations. Encouragingly, signatories have come from all sides of the industry. While there is still some criticism that industry leaders have not spelt out its benefits clearly enough, evidence of the rate of sign up would dispute this.

Those that have signed up and those that have achieved chartered status are indicating they are already seeing benefits. Staff now have a more defined career path and the industry is

seen as a more attractive career choice — the result is that staff retention is showing signs of improvement and the number of graduates applying for jobs has increased.

The CII has been keen to describe the initiative as unique. It is a scheme created from within the industry rather than forced on it by a regulator and it applies to many elements of the profession, not just the broking or advice teams. There are certainly parallels with other financial sectors. In the life, pensions and investment sector the Retail Distribution Review — forced on the industry by the regulator — has set a new level of professional qualifications to be achieved by December 2012.

With the mandatory standards placed on the industry, large firms have had to find structured ways of ensuring as many staff as possible meet the qualifications and achieve the personal development goals. Technology has been a key part of enabling firms to manage and monitor the process efficiently.

Systems and procedures have been put in place to help develop individuals, guide them through their personal development and achieve the qualification threshold. Technology solutions offer much more than computer-based training or online testing, and include features that guide individuals through setting goals and targets, driving development activity through task management, centrally storing information on progress and facilitating discussions between managers and their staff - more of a learning management solution than a regulatory tool.

Taking the journey

In using specialist systems focused on the needs of financial services firms, employers will also acquire a wealth of management information that can be used to drive the development of employees and manage the associated risks.

The successful use of such systems clearly suggests a relevance to their use in the general insurance industry. Key to ensuring that the words of the declaration regarding professionalism and trust become a reality — and are recognised as such — is for organisations to have the means of producing evidence of the training and competence investment behind their words. Such personal development software must become the factual framework that places hard evidence behind the effects of these well-meaning principles and this should potentially accelerate take up of the declaration.

The CII continually refers to the Aldermanbury Declaration as a 'journey' that the industry and its constituent parts are taking and not an end destination. Training and professional standards must be embedded within the culture of organisations to ensure the insurance industry offers careers that people want to choose and so gains and secures the trust and respect of the public.

Joel Turland is managing director of Redland