

## **Annex B**

### Tripartite Advisory on Human Capital Practices for Insurance

#### **1. Introduction**

1.1 The Tripartite Advisory on Human Capital Practices for Insurance, developed by industry associations, namely, General Insurance Association (GIA), Life Insurance Association (LIA), Reinsurance Brokers' Association of Singapore (RBAS), Singapore Insurance Brokers' Association (SIBA), Singapore Reinsurers' Association (SRA), together with Monetary Authority of Singapore (MAS), Ministry of Manpower (MOM), National Trades Union Congress (NTUC), Singapore Insurance Employees' Union (SIEU) and Singapore National Employers Federation (SNEF), sets out good practices for insurers, reinsurers, insurance brokers and reinsurance brokers (collectively as insurance firms) in hiring, reskilling, redeployment and retrenchment. As an international financial centre, we aim to develop a deep and diverse talent pool of local and foreign professionals that contributes to the strong and sustainable growth of the insurance industry in Singapore.

#### **2. Objectives and Scope**

2.1 This Advisory aims to:

- (a) foster a culture of progressive human capital practices, by setting out suggested practices to achieve desired outcomes which benefit both employers and employees;
- (b) promote efforts to build a strong Singapore Core across entry, mid-career and leadership levels;
- (c) encourage insurance firms to systematically equip their existing workforce with relevant skills and capabilities for the future, and
- (d) encourage professionals to continuously upgrade their skillsets and competencies.

2.2 The Advisory comprises two key areas of focus:

- (a) Building a Singapore Core
- (b) Reskilling, redeployment and retrenchment

#### **3. Application**

3.1 The Advisory builds on the Tripartite Guidelines on Fair Employment Practices developed by the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) and the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment. The insurance industry is committed to delivering the desired outcomes set out in this Advisory. Insurance firms are expected to have policies and processes in place to achieve these outcomes, taking into account the suggested practices in this Advisory.

3.2 As the insurance sector undergoes change and transformation, professionals should proactively respond to how their jobs are evolving, and equip themselves with new skills and competencies, including to leverage on technology and data in their day-to-day work. This will contribute to a versatile and resilient workforce for the sector.

#### 4. Building a Singapore Core

##### *Desired outcomes:*

- 4.1 We aim to develop a deep talent pool which comprises both a strong Singapore Core, as well as foreign professionals who bring in global/regional skills and expertise that complement the local talent pool. To do this, insurance firms should put in place programmes to develop strong local talent at all levels, and adopt strong human resource (HR) practices even as they hire foreign professionals to meet their business needs.

##### *Suggested practices:*

- 4.2 Insurance firms should consider initiatives to build a pipeline of Singaporeans across entry, mid-career and leadership levels. Some possible initiatives include:
- (a) partnering institutions of higher learning to develop job-ready graduates for entry-level positions;
  - (b) developing comprehensive graduate programmes to train entry-level employees; and
  - (c) supporting mid-career professionals' and potential leaders' career development through MAS' SkillsFuture programmes, which cover specialised training, international posting and leadership development.
- 4.3 As insurance firms tap on foreign professionals to augment the local talent pool, they should consider putting in place policies and processes, including to:
- (a) promote diversity in their workforce to avoid nationality concentration;
  - (b) facilitate management oversight of the hiring of foreign professionals, possibly by having:
    - (i) a senior management member, who is independent of the hiring department, sign off the hiring of foreigners at the junior level; or
    - (ii) a senior management committee regularly review the profile of new hires including foreign professionals; and
  - (c) foster the transfer of skills and competencies from foreign professionals to local employees<sup>1</sup>, where foreign professionals are hired to address existing skills gaps.
- 4.4 To promote inclusive hiring practices, insurance firms' job advertisements and selection criteria, including those on the national Jobs Bank, should mainly relate to skills, competencies and expertise required to perform the job. Firms should be mindful that setting a minimum number of years of relevant experience may turn away applicants with the required skills and competencies, but do not meet the required years of experience. Where the number of years of experience is useful for assessing a candidate's suitability for the job, they should consider indicating the number of years as a preference, rather than as a requirement.
- 4.5 To strengthen the capabilities of their HR professionals to better support business and workforce transformation, and to implement the progressive human capital practices in this Advisory, insurance firms should invest in continuous training and professional development<sup>2</sup> of their HR professionals, including providing opportunities for exposure to global and regional HR operations.

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<sup>1</sup> MOM's Capability Transfer Programme supports the bringing in of foreign experts to train and transfer capabilities to local professionals.

<sup>2</sup> For example, insurance firms can encourage their HR professionals to leverage the SkillsFuture Study Award for HR to pursue courses that deepen their skills, and be certified by the Institute for Human Resource Practitioners, which is set up by the tripartite partners (MOM, NTUC and SNEF) to implement the national HR certification.

## 5. Reskilling, Redeployment and Retrenchment

### *Desired outcomes:*

- 5.1 With digitisation and automation, job roles and functions are expected to evolve, which may result in a higher degree of workforce mobility and job displacements. Insurance firms should systematically plan ahead to equip their workforce with digital and data skills<sup>3</sup> to support changes in business models and processes, and encourage employees to be proactive in acquiring such new skills. Where insurance firms need to undergo restructuring or re-organisation efforts as a result of automation or digitisation, they should seek to reskill and redeploy their employees as a first resort, and the government will support such efforts.
- 5.2 Where retrenchments are necessary, insurance firms should conduct retrenchment exercise responsibly and offer support to affected employees, including outplacement assistance programmes. Where practicable, early notification should be given to MAS before a significant retrenchment, so that relevant agencies can work with the firms to support the affected employees.

### *Suggested practices:*

- 5.3 Insurance firms should plan ahead with a time frame of one to three years, to assess the likely impact of technological changes on their workforce. Firms should aim to:
- (a) size the pool of employees at risk in key evolving functions;
  - (b) work with The Institute of Banking and Finance (IBF), MAS and Workforce Singapore to map alternative career pathways and skills roadmaps, and reskill and redeploy their employees into job growth areas through Professional Conversion Programmes (PCPs)<sup>4</sup>; and
  - (c) support employees' efforts in acquiring relevant new skills and obtaining employees' feedback in enhancing alternative career pathways and skills roadmaps<sup>5</sup>.
- 5.4 For employees at risk, insurance firms should consider engaging them early to:
- (a) make them aware of the changes ahead and that their roles may become redundant;
  - (b) encourage mind-set change in favour of continuous learning and adapting to potential new roles; and
  - (c) offer them retraining and redeployment opportunities in job growth areas.
- 5.5 Insurance firms should provide support to employees who will be retrenched. These can include to:
- (a) provide an advance notification of one to two months to MAS for significant retrenchments, and consider working with IBF, NTUC, and e2i to offer relevant support and services to employees undergoing the transition; and
  - (b) work with MAS and partner agencies to facilitate the placement of these employees through Adapt and Grow programmes<sup>6</sup> and career advisory services.

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<sup>3</sup> Including insurance-specific skills (e.g. underwriting and claims management) based on digitised processes.

<sup>4</sup> PCPs are career conversion programmes targeted at Professionals, Managers, Executives and Technicians (PMETs) to undergo skills conversion and move into new occupations or sectors that have good prospects for career progression.

<sup>5</sup> Firms could tap on assistance from NTUC, Employment and Employability Institute (e2i) and SNEF, where relevant. If the firm is unionised, to also work with the relevant union(s).

<sup>6</sup> Adapt and Grow programmes help Singaporeans and Permanent Residents adapt to changing job demands and enhance their employability. This initiative includes the PCP, Attach and Train Programme, and Career Support Programme. The Attach and Train Programme provides PMETs with training and work attachment, in advance of job placement, through industry partners in growth sectors with good future job opportunities. The Career Support Programme is a salary support programme to encourage employers to hire eligible Singaporean PMETs.