

Human Resource Training for Spanish Insurance Companies

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The technological development of new management systems requires those coming in to work in the sector to be suitably equipped in terms of professional aptitude, and that training mechanisms should be set up to allow staff to remain up-to-date.

All studies which have been carried out concerning the most important factors affecting the business capacity of a company coincide in stressing the special importance which human resources have in determining their competitive potential.

The Spanish insurance sector is being subjected to a high level of changes, in the first place it has undergone a process of concentration of companies (in 1986 there were 522 companies and in 1996 this number was reduced to 398), in second place it provides cover for the new and growing risks affecting Spanish society and, in third place, there has been an increase in its relative value in terms of GDP, even though this is placed at 4.8%, compared with the European average of 7.1% in 1995.

The technological development of new management systems requires those coming in to work in the sector to be suitably equipped in terms of professional aptitude, and that training mechanisms should be set up to allow staff to remain up-to-date.

In terms of employment, the insurance sector in Spain directly provides more than 48,000 people with work as at December 31, 1996, this figure is at least doubled if intermediaries and other indirect work positions are included. Despite the recession which was experienced in the period 1993/94, and the impact of information technology, the insurance industry has experienced a continued need for additional staff, with an average rate of growth of 1.4% over the last two years.

Until relatively recently, Spain suffered a chronic lack of specialised training directed towards this sector's employees as a response to these circumstances. The

only university courses to be offered by the higher education system were a degree in actuarial sciences and a few other insurance disciplines. The tasks of training and professional preparation in terms of technical aspects, management, and, most particularly, in the area of sales—which is especially important for insurance agents—were taken up by the insurance companies themselves, along with a few specialised institutions.

Despite these circumstances, legislators and authorities in Spain have tried to bring training to the forefront of the legislative framework. With regard to this, the Regulation and Supervision of Insurance Act which is currently in force requires management to have certain professional qualifications, to be obtained by means of a "university qualification at degree level in legal sciences, economics, actuarial sciences, financial sciences, business administration or subjects specific to insurance". It also goes on to state that experience is a necessary ingredient in order to work in the profession.

Other similar requirements are included in the Insurance Broking Act. Both in this case and the previous one, the legislator included a provision concerning "insurance-specific qualifications" as an alternative to conventional university education.

Lastly, table 1 shows the regulations concerning the personnel training policy which were accepted by the sector's current collective agreement and which oblige insurance employers and employees to make a minimum commitment to continued training.



MINIMUM TRAINING AND EDUCATION REQUIREMENTS IN SPAIN FOR INSURANCE
The Insurance Regulation and Supervision Act (30/1995) of November 8. Article 15.2. Qualification of company executives as a requirement for the effective management of the companies.
The Insurance Broking Act (9/1992 of April 30) Articles 15 and 16. A diploma as a "qualified insurance broker" is established as a requirement in order to work in insurance broking. This may be obtained through the recognition of previous experience, through degrees, or through first phase education in insurance-specific subjects.
The Insurance Sector Collective Agreement (B. O. E. issue 33 of February 7, 1997) articles 27 and 28. This states the necessity for continued education and training and sets criteria for this. It demands a minimum time of 20 hours of training per employee per year, during the working day, for the employees subject to the agreement. In some specific cases (article 14.5) this may be extended to 50 hours.

Table 1

Studies of the sector have been carried out by unions, government and insurance employers. These studies have explored the importance of each area of training and have sought to discover the components which are most important to their design, both concerning general aspects and also other more specialised ones.

Table 2 shows the most significant answers from the report for the group of "managers" and "technicians and specialists", stressing the importance given to the areas of sales, management skills and other specialised skills. The European Union aid given by the FORCEM educational programmes provided an

During the process of designing a training or education programme, and paying attention to the functional area of the affected knowledge tasks, we find that insurance should be treated systematically from three general academic-professional points of view: actuarial, economic-business and legal.

In turn, the requisite training should respond to these necessities arising from three levels of application: in first place, **technical-professional**, this is specific for each business line and group of workers; in second place, **postgraduate** education and continued updating of knowledge, which should be tailored to the individual or group

THE MOST IMPORTANT TRAINING COMPONENTS FOR THE SECTOR		
	Management	Technicians and specialists
Knowledge	Improvement of management processes Commercialisation Finance	Improvement of processes Market knowledge Product knowledge Legislation
Skills	Decision making Strategies Time management Interpersonal relationships Client awareness	Decision making Work scheduling Teamwork Leadership Human resource management Customer services

Source: Comisión Paritaria Sectorial de Formación Continua. April 1997

Table 2

important boost for business training in this professional field since activities organized within the companies themselves were directly subsidised.

state of development of the technicians, specialists and managers and, lastly, in third place, the **university degrees** for the basic higher educa-

tion of the management teams of the insurance companies and operators (please see the types which are available, and which are listed in table 3).

For the technical-professional level, there is a certain availability of short courses or seminars which are adapted to each business line and technical specialisation, and are given by various specialised institutions, by universities, by the companies themselves and by reinsurance companies.

In second place, mention should be made of the specialised professional distance learning programmes (with or without university diploma) which are today offered in Spain, and which, due to their flexibility and lack of geographical constrictions, would seem to have a great future.

These possibilities, which have made up the available seminars and technical-professional courses, have not had the required continuity, except in the case of actuarial studies, which benefited from being included within the rigorous and specialised university structure. Insurance however needs research for the development of its technical and legal foundations and for the administration of its companies, in addition to skilled professionals who have been trained in these areas.

This situation has begun to change in Spain, both in terms of the university degree courses, and in terms of postgraduate higher education given to those already qualified.

As can be seen from the above table, the Spanish panorama has given rise to a number of Masters courses (both university and otherwise), which aim to systematise postgraduate courses, adapting them to the present-day necessities of the insurance market and risk management.

The university degree courses in actuarial and financial sciences have been extended to eight Spanish universities with the aim of training specialist actuaries who can guarantee the correct application of the business's technical basis. For years this was the only example of university education in insurance.

The range of available university education changed essentially

**MOST SIGNIFICANT AVAILABILITY OF:
EDUCATION AND TRAINING FOR THE INSURANCE SECTOR IN SPAIN:
Schools of insurance, insurance companies, reinsurance companies and universities**

LEVELS	CONTENTS AND CHARACTERISTICS	MOST REPRESENTATIVE INSTITUTIONS
I. TECHNICAL-PROFESSIONAL <u>Spain</u>	Various seminars: <ul style="list-style-type: none"> • Management skills. • Products. • Sales and marketing. • Claims handling. • Business lines, etc. 	INESE ICEA Fundación MAPFRE Estudios Instituto de Actuarios AIDA Insurance companies Reinsurance companies Universities
<u>International</u>	<ul style="list-style-type: none"> • Technical and international insurance management 	INESE Fundación MAPFRE Estudios
II. TECHNICAL-PROFESSIONAL TRAINING <u>Distance learning</u>	<ul style="list-style-type: none"> • Basic principles • Business lines and products • Sales and distribution • Risk management 	ICEA Fundación MAPFRE Estudios
III. POSTGRADUATE COURSES <u>Private education establishments</u> Master in Insurance Management Masters in Insurance Specialities Masters in Insurance Business Administration	2 years, 900 hours. 3 specialities 1 year (250-300 h.) 5 specialities 1 or 2 years (250-350 h.) 6 specialities	ICEA, Madrid INESE, Madrid and Barcelona INESE, Madrid and Barcelona
<u>Universities</u> Master in Insurance Master in Business Administration for Insurance University Master in Risk Management and Insurance University Master in Actuarial Practice	1 year, 2 specialities 1 year - 400 hours 1 year - 450 h. 1 year - 520 h.	Universidad Politécnica de Cataluña, Barcelona Universidad Pompeu and Fabra. Instituto de Educación Continua, Barcelona Universidad Pontificia de Salamanca. Fundación MAPFRE Estudios, Madrid Universidad Pontificia de Salamanca. Fundación MAPFRE Estudios, Madrid
IV. UNIVERSITY LEVEL Degree in Actuarial and Financial Sciences	2nd programme. 2 years. 160 credits.	Universidad Complutense de Madrid Universidad Pontificia Comillas, Madrid Universidad de Alcalá de Henares, Madrid Universidad del País Vasco, Bilbao Universidad de Barcelona Universidad de Málaga Universidad de Valencia (in preparatory phase) Universidad Pontificia de Salamanca. Fundación MAPFRE Estudios. Madrid (in preparatory phase)

Table 3



MOST SIGNIFICANT AVAILABILITY OF: EDUCATION AND TRAINING FOR THE INSURANCE SECTOR IN SPAIN: Schools of insurance, insurance companies, reinsurance companies and universities		
LEVELS	CONTENTS AND CHARACTERISTICS	MOST REPRESENTATIVE INSTITUTIONS
University diploma in Business Sciences and graduado técnico in insurance sciences	First programme. Dual qualification. 3 years. 207 credits.	Facultad de Ciencias del Seguro y la Empresa. Universidad Pontificia de Salamanca and Fundación MAPFRE Estudios. Madrid
University diploma in Business Sciences	First programme. Single qualification. 3 years. 207 credits. Qualification specialised in insurance management	Centro Universitario de Estudios de Administración de Empresas. Univer. Politécnica de Cataluña and Winterthur. Barcelona
Degree in Business Administration and Management and Graduado Superior in Insurance Sciences	Second programme. dual qualification. The student takes two programmes in five years (3+2) with a total of 360 Credits	Facultad de Ciencias del Seguro y la Empresa. Universidad Pontificia de Salamanca and Fundación MAPFRE Estudios. Madrid
Degree in Law Specialised in Insurance	First and second programmes. Official degree specialised in law and insurance management. Five years. 345 credits	Facultad de Ciencias del Seguro y la Empresa. Universidad Pontificia de Salamanca and Fundación MAPFRE Estudios. Madrid (in preparatory phase)

Table 3

thanks to the initiative of Fundación MAPFRE Estudios, aided and encouraged by the Universidad Pontificia de Salamanca, to create the first Faculty of Insurance and Business Sciences in Spain. At the present time, this centre gives, together with other postgraduate courses, university courses in which students simultaneously achieve a dual qualification (an official degree and diploma in Business Sciences and the centre's own higher and middle qualifications in Insurance Sciences) in five years of studies. This institution, set up in 1989, has seen five years of graduations, and will, in the coming years, initiate courses in law (degree in law, specialised in insurance) and in technical matters (degree in actuarial and financial sciences) which will complete the singular offering of his faculty.

In the area of university education, this experience was accompanied by the setting up of the Centro Universitario de Estudios de Administración de Empresas in Barcelona. This centre was set up in 1997 and is sponsored by Winterthur, it awards a Diploma in Specialised Business

Sciences, and includes various optional units for insurance subjects.

These new appearances in the field of higher education will, without doubt, contribute towards the rapid integration of graduates into the insurance sector, and where they will be better adapted to the companies, with a consequent reduction in the waste of human resources in the sector.

It is to be hoped that degree-level and postgraduate education will be characterised by their dynamic response to the necessities of insurance, both in terms of the characteristics of the studies and also in terms of the way of acquiring and practising knowledge. In order to ensure this, the insurance sector should not be absent in this process of finding a closer understanding, and should collaborate with the university so that it is able to add its own vision of the practical aspects of the business to the university's rigorous treatment of theory in the teaching. This would be the sector's most valuable contribution towards education and also its principal strategic bet on the future.