



Nordic Baltic meeting

The Norwegian Finance Industry Authorisation schemes (FinAut)

Siv Seglem, CEO

What has happened in Norway during the last year

1. Recent development steps
2. Effects from CoVID 19 on the Norwegian authorization schemes



Authorization schemes within all subject areas in the private market

Total authorized per
31.12.2020:
12 550

Thereof:

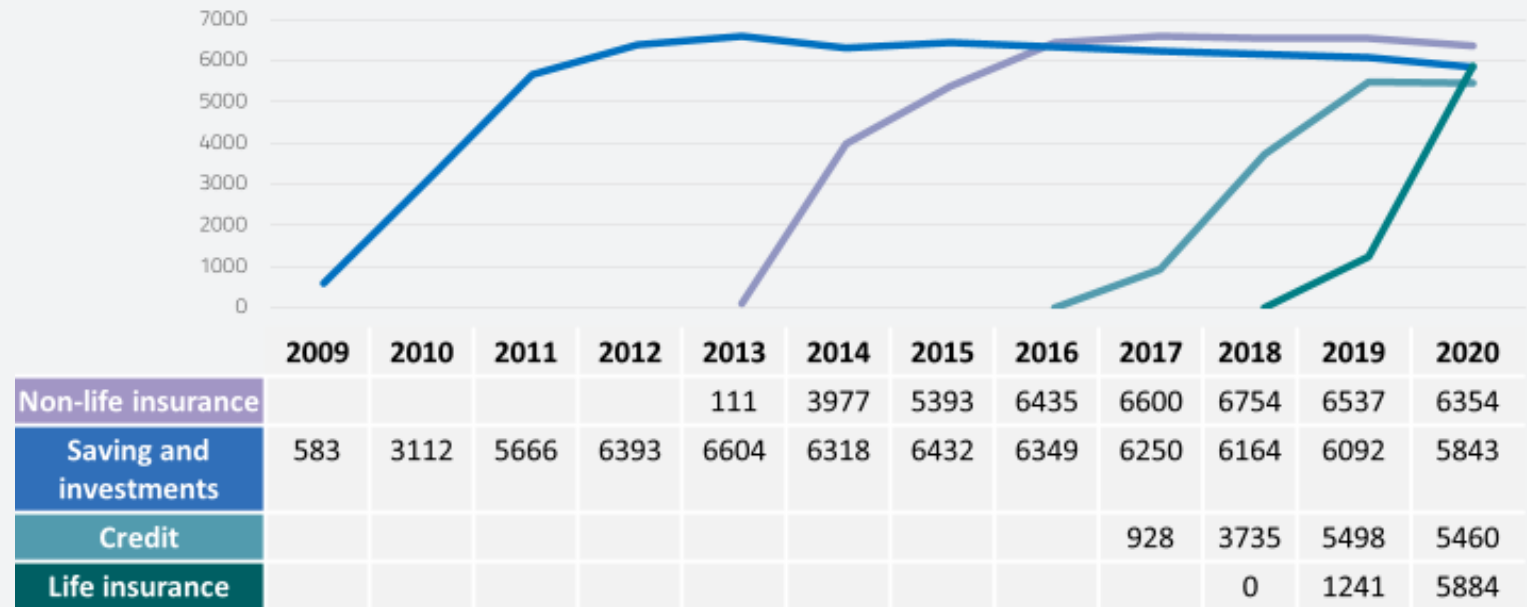
3 428 in one scheme
3 871 in two schemes
2 315 in three schemes
2 936 in four schemes

After 10 years we have launched four authorization schemes within:

- Non-life insurance
- Savings and investments
- Credit
- Life insurance

These areas include ¼ of all employees in the Norwegian finance industry

Progress: Number of active authorized



Themes 2021 - Annual updates

Common themes for all schemes:

- Systematic handling of ethical dilemmas (Simulation program from FinAut)
- *Ethics and sustainability*
- *EU work on sustainability*

Consequences for all schemes with the new Financial Agreement Act

Common themes for Non-life and Personal insurance:

- IDD - Insurance Distribution Directive
- IPID - Insurance Product Information Document

Themes for Savings and Investments:

- Private pension account
- Sustainability in savings and investments

Themes for Credit:

- New lending regulations

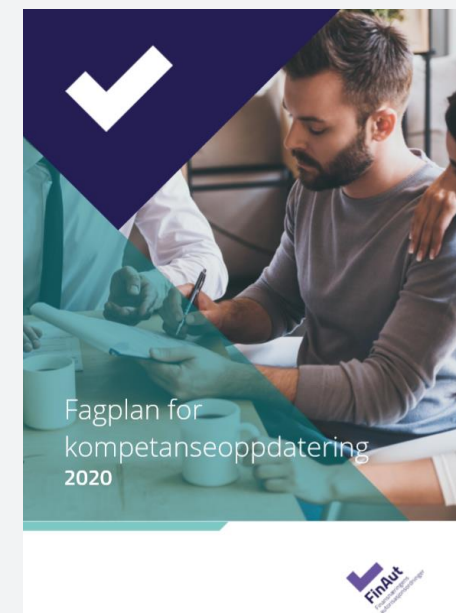
Themes for Non-life insurance:

- Travel insurance
- Motorhome - injury prevention advice

Themes for Personal insurance:

- Duty to provide advice
- Termination of personal insurances based on inability to pay

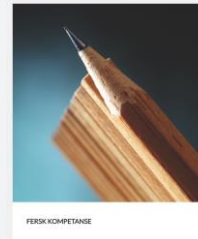
Many advisors are authorized in all schemes



[Updates 2021](#)

New schemes in the corporate market

- For advisors within Non-life and Life insurances in the corporate market (banks, insurance companies, and their agents)
- Based on the same principles – the three pillars with three exams
- Schemes developed together with representatives from the company members
- High enrollment of new company members



KNOWLEDGE TEST (MC)



PRACTICAL ASSESSMENT
TEST



ETHICS AND DILEMMA
SIMULATION

Robo-advisor Authorization

- Launched in 2021
- Three robo-advisors in progress for authorization, all within Savings and Investments
- The first robo-advisor authorization scheduled for Summer 2021

<https://www.finaut.no/finaut-english/review-authorisation-scheme-digital-solutions/?edit&language=nb>



New non-financial industry members

- Enabled by new membership model
- Staffing agencies: Manpower Group and Adecco
- Customer service: Consort
- We also wish fintech, consultants, and others welcome, to help us build consumer trust by applying the industry standards for Good Practice



Knowledge tests open for all employees

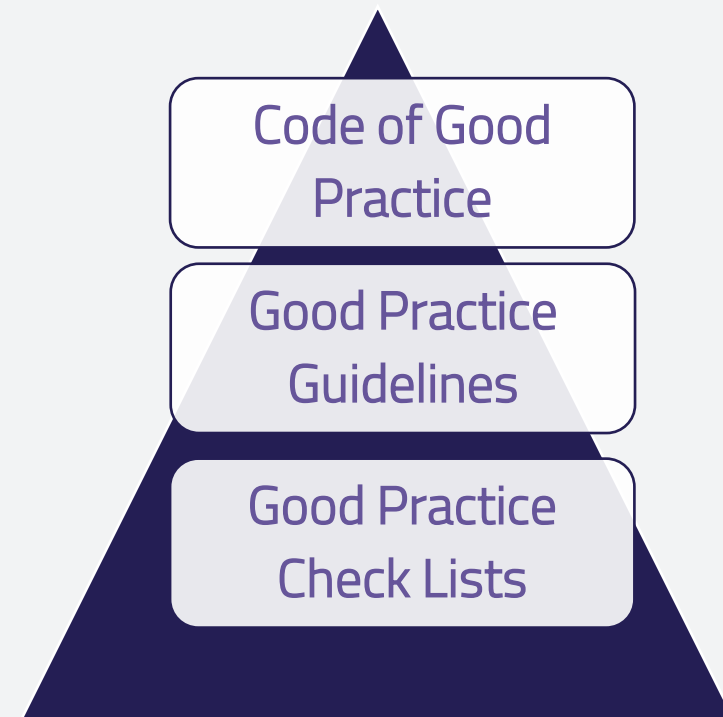
- The goal is to share, implement, map, and confirm knowledge within all relevant areas
- Ethics, Code of Good Practice, relevant regulations, sustainability, etc.
- Test including topics from the different schemes
- Læringstorget: knowledge hub containing relevant training material and updates



Code of Good Practice

- still our most important foundation

- Applies to all FinAut's members performing financial advice, information, guidance, and sales in the consumer market
- Applies to both personal service and digital processes
- The business shall ensure compliance
- The management in particular are responsible for avoiding routines and systems, including rewards systems, which are not compatible with the Code of Good Practice.



<https://www.finaut.no/finaut-english/code-good-practice/>

Compliance

Annual reporting

- Good structure for learning and tests
- Good structure for updating and use of knowledge in daily life
- Code of Good Practice: a part of the members' compliance
- Room for improvement for guidelines for breach of good practise and reporting of breaches
- Reporting of breaches are increasing in numbers, still a concern of under-reporting



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Effects of CoVID 19

Big shift for consumers

- Closed offices and advisors in home office → digital interaction

Insurance

- At first a lot of work with travel insurance
- Then higher demand for life insurance products

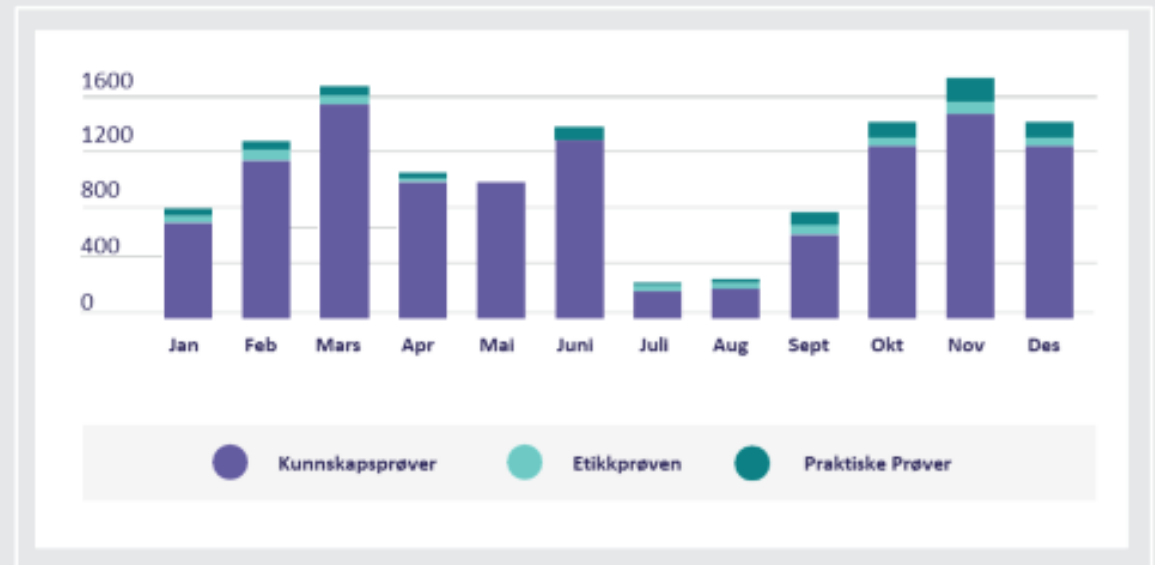
Personal finance

- Unemployment or layoffs → Banks implemented option for delay of mortgage down payments (6 months)
- Unemployment or layoffs → Demand for advice
- Increased saving + interest rate around 0% → Demand for advice
- Demand for pension savings

Effects of CoVID 19

- FinAut had to offer fully digital exams
- Candidates and members were highly active within competence building and authorization
- From Q2 2020 fully digital exams with remote video surveillance were offered to candidates in home office

- 12 968 exams in 2020
- 7 000 candidates within Life Insurance



Extras

Mission, facts and organization

FinAut mission and main tasks

FinAut sets the standard for advisory and other customer services in the finance industry

FinAut shall:

- Develop and administer the requirements for competence
- Administer the financial industry's Code of Good Practice for advisory and other customer services
- Ensure that Code of Good Practice applies to distribution channels with no personal contact between the financial company and the customer



FinAut facts

- Founded in 2009 (First scheme: Financial advisors)
- Self-regulatory body
- Not maximizing profit
- 144 affiliated companies in 1 – 4 schemes
- 12 500 active license holders with nearly 20 000 authorizations



<https://www.finaut.no/finautcompany/company-list/>

Organization

