

MEMBERSHIP APPLICATION SUB COMMITTEE GUIDELINES – 2017

(Approved by PSB on 8 December 2016)

A: MASC

1. MASC's purpose and scope

Save in cases where the Delegated Authority of the Case Investigator applies (see Provision 5), the Membership Application Sub Committee (MASC) shall decide whether each application for membership from the following should be granted, rejected, deferred or accepted with condition(s):

- a) people who have been subject to a bankruptcy or debt relief order
- b) people who have entered into Individual Voluntary Arrangements (IVAs) or similar arrangements
- c) people who have had a County Court Judgment entered against them
- d) people who have disciplinary records from the CII or other organisations such as the FCA
- e) people who have CPD records outstanding with the CII but who did not reach the disciplinary stage of the CPD selection process
- f) people with unspent criminal convictions.

Further, MASC also considers membership applications in all other circumstances deemed appropriate by the CII. This includes but is not limited to retrospectively reconsidering applications that have been erroneously granted by the CII within one year from the date of the membership being erroneously granted. This may include instances where, if the applicant were a Member, they would be in breach of the CII Code of Ethics or other CII regulations.

2. MASC's authority

MASC's authority derives from the CII Professional Standards Board (PSB).

The role of PSB is to:

- develop policy and standards for CII members, including professional conduct and trust, discipline, ethics and competence;
- develop appropriate policy and standards for the CII's governance including accountability, diversity, consumer representation and transparency;
- monitor and review these standards;
- communicate the standards to the members and committees; and
- promote professionalism and the adoption of high standards within the industry, with government, with regulators and, most importantly, to consumers.

3. Constitution of MASC

MASC shall consist of

at least to 9 people which must include:

- legally qualified persons, of whom one shall act as the chair of MASC;
- lay persons;
- CII member; and
- a member of the CII Disciplinary Committee

Of which 3 shall constitute a panel to decide on a CII membership application. The panel of 3, who shall have no conflict of interest with the applicant, shall consist of 1 lay person, 1 legally qualified and 1 CII member.

A legally qualified person may act as a CII member, provided that s/he is a member of the CII and there is another legally qualified person who acts as the chair of the panel.

A legally qualified person may act as a lay person, provided that s/he is not a member of the CII and there is another legally qualified person who acts as the chair of the panel.

Appointments are for an initial 3 year period which can be extended for a further 3 years only.

Appointments are made by PSB.

Appointments can be terminated by resignation by the MASC member, expiry of term of appointment or removal by PSB Chairman where appropriate.

4. Special Appointments

MASC may appoint an adviser where specialist expertise is required to assist it to consider an application. Any specialist adviser appointed will not have any voting rights.

5. Delegated Authority

PSB has provided the Case Investigators, within the CII's Legal and Secretariat department, with delegated authority to approve certain applications (the Delegated Authority).

The identity of the Case Investigators and the details of the Delegated Authority are outlined within the Delegated Authority criteria attached at Annexure 4.

The Delegated Authority can be amended by PSB at any time.

B: MASC PROCEDURES

6. Referral of applications to MASC

The documentation sent to MASC will include the application form along with any supporting information/evidence provided by the applicant and any additional information considered relevant to the application.

7. Role of CII Legal and Secretariat

The role of CII Legal and Secretariat includes, but not limited to:

- preliminary review of the paperwork submitted by the applicant
- liaison with the applicant
- collation of the documentation for consideration by MASC
- submission of application to MASC
- co-ordination of screening process
- communication of MASC's decision to the applicant
- if the application is approved, submission of the relevant documentation to CII Customer Service to process the membership

8. Data to be supplied

Bankruptcy, Individual Voluntary Arrangements (IVAs) or similar procedure

Where an applicant is or has been subject to bankruptcy, an IVA or other arrangement, they should provide:

- a written explanation of the reasons and circumstances leading to the bankruptcy, IVA or other arrangement
- a copy of the initial proposal to the creditors
- a copy of the agreement / arrangement entered into
- if not included in either of the above, a list/breakdown of amounts outstanding and the creditors involved at the beginning of the arrangement
- copies of any interim reports
- evidence that all payments required by the arrangement have been made on schedule and that there are no outstanding payments (if still on-going). MASC is unlikely to accept an application unless a minimum of 12 payments have been made without default
- a copy of the discharge certificate (if applicable)
- a copy of any final report
- any other relevant or appropriate documents, information or references which the applicant wishes to provide

County Court Judgments (CCJs) or other judgment debt:

Where an applicant is or has been subject to a CCJ or other judgement debt, they should provide:

- a written statement explaining the circumstances leading to the CCJ.
- a copy of the CCJ / court order and any related papers.
- proof that the debt has been discharged (e.g. certificate of satisfaction) or
- evidence that a minimum of 6 months of payments have been made without default if repayment is on-going
- any other relevant or appropriate documents, information or references which the applicant wishes to provide

Disciplinary sanctions and procedures

MASC's requirements will vary depending on the type and nature of the disciplinary action and by whom it was taken but will generally consist of the applicant providing:

- details of the disciplinary action, including by whom it was taken
- a written statement of the circumstances leading to the disciplinary action
- copies of any notices, sanctions, reprimands, etc
- details of any mitigating circumstances
- any other relevant or appropriate documents, information or references which the applicant wishes to provide

Where disciplinary action was by the CII, the CII may already have access to copies of the above.

Where disciplinary action was commenced by the CII in respect of outstanding CPD records, the application will not be considered unless and until the applicant has submitted compliant CPD records.

Criminal Convictions

Where an applicant is or has been subject to a criminal conviction, they should provide:

- a Certified Extract of Court Record if the applicant is based in the UK. If the applicant resides outside of the UK, then an official document which sets out the conviction(s) and sentence(s). The applicant may need to request this from the court.
- a written statement of the circumstances leading to the offence and conviction
- any other relevant or appropriate documents, information or references which the applicant wishes to provide including the judge's summation where available

As a general rule, MASC is unlikely to agree an application from an individual who has been subject to a conviction for financial misconduct, theft, fraud, sexually or racially related crimes and violent (Grievous or Actual Bodily Harm) crimes or where the individual has been sentenced to longer than two and a half years in prison (i.e. a conviction which is never considered spent) unless there are strong mitigating circumstances supported by evidence.

Other circumstances in which applications are referred to MASC

Where an applicant does not answer yes to any of the Declarations but the following circumstances apply, the application will be referred to MASC:

- Where an applicant is a former member who had outstanding CPD records during their previous period of membership but who was not subject to disciplinary proceedings by the CII prior to the termination of their membership. In such a case MASC will require the applicant to submit compliant CPD records before the application will be considered.
- Where an applicant has previously acted or continues to act in ways which, were they a CII member at the time, they would have been in breach of the CII's Code of Ethics or other CII regulations. In such circumstances, MASC will set out the information it requires to consider the application on a case by case basis.
- Where, in all the circumstances, it is considered appropriate for MASC to review the application.

Legal and Secretariat will advise MASC where supporting documentation is not available or has not been made available.

9. MASC decisions

- the role of the Chair is to co-ordinate the decision making process and ensure that a reasoned decision is conveyed to Legal and Secretariat in writing.
- MASC members may communicate by telephone, email or in person.
- All meetings are held in private.
- Decisions are made on documentation alone.
- Where a unanimous decision cannot be reached, a majority decision will be accepted.

C: REVIEW

If an applicant wishes to challenge the decision of MASC they must make their request in writing, within 21 days of the MASC decision being conveyed to them, stating the grounds for their request. The only basis for which a review can be requested are that the decision of MASC was:

- a. based on an error of fact or was an unreasonable exercise of discretion
- b. unjust because of a serious procedural error or irregularity or that new information, which was not available at the time of the original application has become available
- c. too severe

A fee of £250 will be charged for the review which will be refunded if the review is successful.

The CII may also request a review of a MASC decision where it considers the decision made was:

- d. based on an error of fact or was an unreasonable exercise of discretion
- e. unjust because of a serious procedural error or irregularity or that new information, which was not available at the time of the original application has become available
- f. too lenient

An independent reviewer, appointed by the PSB, will consider the request and review the application on documentation alone. The decision of the independent reviewer is final and binding on the applicant and the CII.

D: OVERSIGHT AND REPORTING

12. Reports to PSB

A brief written summary of MASC's decisions will be presented to the PSB annually.

The Chair of MASC will attend PSB meetings on an annual basis to provide a report.

E: INDICATIVE GUIDELINES

13. General principles

- The process is evidence based
- The basic premise is that all explanations and evidence presented to the CII and MASC will be accepted in good faith at face value, unless there are identifiable and legitimate reasons to seek further assurances or evidence.
- The CII is open to everyone who is “engaged or employed in work connected with “insurance”, which includes “insurance and financial services”. In most cases eligibility for membership will be easy to establish. The CII’s view is that there is no minimum threshold of “engagement” in this context and that this definition does not preclude from membership those engaged in (but not earning an income from) such activities, those who work in not for profit or charity environments, educationalists, trainers, authors, examiners, markers and those engaged in part time (as opposed to full time) activities (this list to be taken as illustrative and not exhaustive).
- In each of the circumstances below, it is important that evidence that an applicant has taken steps to improve their behaviour, change their life-style and/or is remorseful for their actions should be requested and be taken into account.

Bankruptcy

- Any applicant subject to a year long, standard bankruptcy order, **where there is nothing in the report which causes the CII concern**, shall be admitted once their bankruptcy has been discharged. If someone has this type of bankruptcy and it has not yet been discharged, the application will be referred to MASC and, if their application is allowed, they will be required to advise the CII immediately of any default in meeting the obligations of the bankruptcy.
- Prior to 1 April 2008 in Scotland and 1 April 2004 in England, the standard discharge period in bankruptcy was 3 years. This then changed to 1 year. Therefore, where an applicant has been subject to a bankruptcy order of up to three years which commenced prior to these dates the paragraph above will apply.
- Subject to the preceding paragraph, the circumstances of a standard bankruptcy order lasting more than one year or a Bankruptcy Restriction Order will be referred to MASC.

IVAs

- **Subject to there being nothing in the circumstances which causes the CII concern**, applicants may be admitted as members provided that they have complied with the arrangement for a minimum of 12 months without default and provided that they advise the CII immediately of any subsequent default or if any bankruptcy proceedings are commenced.
- Failure to complete a 12 month period without default will result in a new 12 month period starting from the date of the first payment subsequent to the default. From this date, the applicant must complete a period of 12 months without default prior to their application being considered
- Applications received from people who have not completed a minimum of 12 months of payments without default will be deferred until a period of 12 months of payments has been completed in line with points 1 and 2 above.

Disciplinary Records

- If disciplinary action has been taken previously by the CII, MASC will bear in mind the decision taken and ensure that it is not contradicted by MASC's decision.
2. MASC will consider the decisions taken in precedent disciplinary cases and membership applications and ensure that applicants are treated consistently.

Outstanding CPD Records

- If a CPD record is submitted for the past 12 months or the 12 month period for which the member was originally selected which complies with the requirements of the CPD scheme in operation at the time, the application will normally be accepted.

Criminal Convictions

- It must be borne in mind that the purpose of the sentence itself is to punish and prevent re-offending. The rehabilitation period is not meant to be an extension of this punishment. Therefore providing someone with a chance of employment and preventing them from re-offending needs to be balanced against protecting the interests of consumers and other employees and promoting professionalism when MASC makes its decision.
- MASC needs to be aware that it is not its role to make judgements on the original offence as this has been undertaken by a magistrates' bench, judge or jury and is reflected in the sentence imposed.
- MASC will be careful not to penalise the applicant on top of the sentence they have already received by denying them the opportunity to get on with their life. However, MASC will also be conscious of how the public would view the individual's membership and whether this would compromise public perception of the CII's standards of professionalism.
- Deferral until a conviction is fully or partially spent will be considered if an application is received from anyone with an unspent conviction. However, the length of time before a conviction is deemed spent can be significant and will vary depending on the type of sentence. The type of conviction and the rehabilitation imposed will be taken into account. In considering applications from people outside of the UK, MASC will be aware that sentences given may be more or less severe than those applied in the UK and the rehabilitation periods may not apply.
- Applications from anyone who has been subject to a conviction for financial misconduct, theft, fraud, sexually or racially related crimes and violent (Grievous or Actual Bodily Harm) crimes shall be rejected by MASC unless there are mitigating circumstances supported by evidence which MASC considers acceptable.
- Applications from people whose convictions are never spent (prison sentences of longer than two and a half years) shall be rejected by MASC unless there are mitigating circumstances supported by evidence which MASC considers acceptable.
- Applications from people who have a single conviction for possession of drugs for personal use will be accepted once the conviction is spent. Applicants who were convicted of possession of drugs with intent to supply will be rejected unless there are mitigating circumstances supported by evidence which MASC considers acceptable.

- Evidence that an applicant has taken steps to improve their behaviour, change their life-style and/or is remorseful for their actions will be taken into account.
- Motoring convictions which result in fixed penalties need not be declared.

14. Matters to be taken into account

When considering an application, MASC will consider the following in respect of the applicant:

- Remorse
- Youth
- Rehabilitation periods (for convictions only)
- Seriousness of offence
- CII exams/qualifications taken
- Mitigation
- precedent
- CII Indicative Sanctions Guidance (used by Disciplinary Committee)

F: MISCELLANEOUS/OTHER

16. Annexures

- Rehabilitation periods table
- CII Indicative Sanctions Guidance
- IVA/bankruptcy guidance spreadsheet
- Delegated Authority Criteria