

RESPONSE of CCIR and CISRO to RECOMMENDATIONS in the LLQP EXAMINATION REPORT

The LLQP Integrity Committee met in Calgary, Alberta on July 9, 2003, to continue its work in responding to the LLQP Examination Report (Consultant's Report), and to bring forward other work relating to the LLQP Program.

Members of the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) (Regulators) subsequently approved the recommended response of Regulators set out in the report of the LLQP Integrity Committee.

The following is the report of the LLQP Integrity Committee, on behalf of CCIR and CISRO.

RESPONSE TO CONSULTANT'S REPORT

The Consultant's Report contained 13 recommendations presented in Volume 1, which has been shared with Regulators and industry, and is posted on the CCIR website (www.ccir-ccrra.org). In addition, Volume 2 of the Final Report provided to the LLQP Integrity Committee, and offered to Regulators, contains recommendations for change to specific questions on the examination.

The LLQP Integrity Committee reviewed the recommendations in Volume 1, and the specifics of Volume 2 and provides the following direction in response.

RECOMMENDATION #1:

Each item should have four answer choices including one correct answer and three distractors.

Response:

Agreed. In the development of the LLQP Program, five answer choices were developed on the recommendation of the educational consultant engaged to reduce the risk of guessing on exam questions. However, we recognize that limiting question answers to four will improve the readability of the exam, and lessen the degree of difficulty in the development of new exam questions.

- \$ New examination questions will be developed with one correct answer and only three distractors.
- \$ The further 100 “new” questions in development, which have been pilot tested but not deployed, will be amended to reduce the number of distractors to three.
- \$ An evaluation of the existing databank of questions will be conducted by the Insurance Council of British Columbia (ICBC) to determine which questions can be reduced from five options to four using internal resources, and which will require that we engage expertise (either Subject Matters Experts (SME’s) from industry, or an educational consultant). ICBC will endeavor to develop a new exam version for Fall, 2003.
- \$ We will ensure that appropriate modifications are also made to the French examination to ensure that a valid French exam is available.

RECOMMENDATION #2

For every item where there is a competing distractor chosen more often than the correct answer, the competing distractor should be re-written based on SME comments in the appendix.

Response:

ICBC will examine these items in detail as it conducts its review of items for Recommendation #1 and Regulators will make an appropriate response, taking into account the results of this work.

RECOMMENDATION #3

Change the exam from a speed test to a power test. This means that everyone works on the exam at their own speed until they are done. If you must improve time limits, then identify the point where only 5% have not finished the exam and set the time to slightly longer than that.

Response:

Currently four hours is allowed for the Full exam, three hours for the restricted and residual exams, and two hours is allowed for the accident & sickness exam (three hours in British Columbia). There are concerns that not providing for time limits will impact the ability to set more than one sitting per day. Responding to Recommendation #1 is expected to improve the time frame of the test. Thus, Regulators will monitor and measure the implementation of Recommendation #1, and respond further as necessary to this recommendation in due course.

RECOMMENDATION #4

Develop and introduce material on “How to take multiple choice tests.” Making this material mandatory for those without some post-secondary education is likely to be beneficial, but it is acceptable to simply make this available to those who wish to take advantage of it.

Response:

While this recommendation is supported, Regulators believe that materials on how to take multiple choice examinations are best developed and made available by educational providers. We will write to course providers to advise them of this recommendation and encourage them to include such in their preparatory materials for students.

RECOMMENDATION #5

Maintain a common cutoff score for the Restricted and Full license exams.

Response:

Agreed. Regulators accept that the pass score for the LLQP exams (Full, Restricted and Residual) should be consistent, and that among jurisdictions a common pass score should be maintained.

RECOMMENDATION #6

A target of 60% of items correct is desirable to protect the integrity of the credential. We believe that if all the changes we have identified are made, you will be quite close to that desired mark. To make up the difference, we suggest that you lower the average item difficulty.

Response:

Regulators set the pass score for the LLQP examinations, but do not set a success rate, as implied in the recommendation. A 60% pass score was recommended by the educational consultant engaged in the development of the LLQP Program, and is favored by Regulators. The current 50% pass score was implemented as an interim measure and consideration has been given to how and when the pass score will be changed to the target 60%. A minimum 30 days notice following approval by Regulators will be provided to industry and course providers. Regulators intend to set the pass score at 60% beginning Nov. 1st, 2003.

Regulators will discuss with course providers the processes used to certify

students for readiness to sit the regulatory exam, and through the anticipated regular feedback mechanisms with course providers, monitor the success rate of the program.

(It is anticipated that a response to Recommendation #1 will be made prior to the change of the pass score. In addition, we will consider progress made in response to Recommendations #2 and #7.)

RECOMMENDATION #7

As an interim measure until the items are re-written, we suggest that you exclude the 13 items used on the Part A exam that have distractors chosen more often by examinees than the correct answer. If you do this, the average Part A score should rise to 58% correct. A cutoff of 55% correct should yield 60% pass rate across the Full and Restricted exam.

Response:

This recommendation is linked to Recommendations #1 and #2 and is being examined by the ICBC in response to those recommendations. The review requires that the questions be looked at in detail, statistics be considered, appropriate industry or statistical expertise be obtained, and an appropriate response made.

RECOMMENDATION #8

Conduct a separate review of the A & S items using a group of specialists from the industry, to ensure that the learning required to answer the A & S questions is not outside the scope of required competence.

Response:

Work on the A & S exam questions has already been done on the basis of company feedback.

Mr. Weinstein noted during his review that he had only one A & S Subject Matter Expert ("SME") participating. However, during the development of the program, 4 SMEs considered experts within the accident & sickness field participated.

This recommendation has been identified as a longer-term priority. Regulators will continue to monitor the A & S exam and look again at this recommendation based on these results. While limited statistics are available, it is noted that the pass/fail rate to date has been relatively good.

RECOMMENDATION #9

Rebalance the proportion of content per domain on the exam recognizing that many items fall into multiple domains. Pay particular attention to items in the Investment module.

Response:

Rebalancing content domain reflects upon the LLQP design document which was not within the scope of review. Subsequent to receipt of the Final Report, the consultant withdrew this recommendation. He had assumed that the modules were to be of the same level of difficulty. We clarified that the modules reflect the degree of difficulty in the design document, and thus the recommendation was withdrawn.

RECOMMENDATION #10

Treat items with Bloom levels 4 - 6 as a single group of “higher level” items. Spread the higher level items more evenly across the content modules.

Response:

The determination of Bloom levels was designed at an earlier stage. Regulators acknowledge this recommendation and note, as above, that the design did not intend to impose the same degree of difficulty across all modules. We have examined Bloom level questions and have found that there is a good success rate across various Bloom levels.

Regulators will keep this recommendation in mind, but feel no action is required at this time based on test results to date.

RECOMMENDATION #11

Re-work the questions in the Needs Analysis and Risk Management module with special attention to competing distractors and unrealistic scenarios. Scenarios in the Taxation module also require fine-tuning.

Response:

Work on the distractors is subsumed in general work to clean-up distractors and to migrate the examination to a four answer rather than five answer format. It is anticipated that response to Recommendations #1, #2 and #7 will address these issues. In addition, on-going analysis will identify non-performing questions which will be removed. Scenarios will be reviewed as part of this effort.

RECOMMENDATION #12

Re-write the most difficult questions in four modules to reduce their level of difficulty: Individual or / A&S (2 -3 items) Taxation (1 item) Retirement (2 items) and Law and Professional standards (2 items).

Response:

This recommendation may reflect that the consultant thought the level of difficulty was supposed to be consistent across the exam. However, the level of difficulty reflects the design document. Regulators will monitor these questions as we move forward, and work with course providers to reflect appropriate feedback.

RECOMMENDATION #13

Make the item changes in Appendix D in the second Volume of the Report.

Response:

Appendix D will be one source of direction as we move forward on making changes to the exam. Appendix D contains many of the Volume I recommendations but in a detailed question-by-question format. Consequently portions of Appendix D will be addressed by work ongoing in response to those recommendations. Further response to Appendix D will be made over time using appropriate resources. Regulators are comfortable with this approach given the overall assessment of the consultant that the examination is a good one.

COURSE PROVIDERS

The LLQP Integrity Committee recognizes that course providers are interested in receiving appropriate feedback from Regulators. Some jurisdictions already provide such feedback. The format for such has been shared. It is recognized that reporting to course providers will evolve over time. However, there is interest in ensuring that a feedback mechanism be developed on a national basis. At the July 2003 meeting, the Alberta Insurance Council (AIC) agreed to review the data format provided by the Financial Services Commission of Ontario (FSCO) and to work towards sharing information with course providers on a broader basis. Information will be collected from ICBC. AIC and FSCO will work on preparing information to course providers on behalf of regulators. The target date for provision of feedback on a national basis to course providers is Fall, 2003.