

## **APARI Education and Strengthening the Competency of Insurance Brokerage Human Resources in the Era of Change**

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### **ABSTRACT**

The contemporary insurance industry is undergoing profound transformation driven by increasing risk complexity, rapid digitalization, and deeper integration of global financial markets. These changes have heightened the need to strengthen the competencies of insurance brokerage human resources through professional education that is both adaptive and context-sensitive. Insurance brokers are no longer expected to operate merely as transactional intermediaries; instead, they are increasingly required to function as strategic risk advisors equipped with analytical skills, professional integrity, and a comprehensive understanding of evolving risk landscapes (OECD, 2019; Susskind & Susskind, 2015). Within the Indonesian context, professional education programs organized by the Indonesian Insurance and Reinsurance Brokers Association (APARI) play a critical role in shaping individual competencies to meet these demands. This article conceptually examines the role of APARI professional education in strengthening insurance brokerage competencies amid rapid industry change, including digital transformation, governance requirements, and global competition. The study employs a systematic literature review and conceptual analysis of professional education curricula, competency frameworks aligned with SKKNI and KKNi, regulatory provisions issued by the Financial Services Authority (OJK), and selected international best practices. The findings indicate that graduate quality emerges from a dynamic interaction between curriculum relevance, learning methods, and alignment with industry practice. Beyond technical expertise, soft competencies—such as communication, ethics, and adaptability—are essential in shaping broker professionalism. This study concludes that APARI professional education plays a strategic role in enhancing the competitiveness and long-term sustainability of Indonesia's insurance brokerage profession.

**Keywords:** professional education; human resource competence; insurance brokers; Reinsurance

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### **INTRODUCTION**

In the last two decades, the insurance and reinsurance industry has undergone changes that are not only technical but also structural (Cremer et al., 2024; Eling, 2024; Sosa & Montes, 2022; Tarr et al., 2023). The increasing complexity of risks, the acceleration of business process digitalization, and the integration of financial markets across countries have transformed how risks are understood, managed, and transferred. These changes have directly impacted the role of the insurance brokerage profession, which now faces much higher expectations than its traditional function as a transaction intermediary. (Swiss Re Institute, 2022; World Economic Forum, 2020)

In practice, it is no longer sufficient for insurance brokers to simply understand products and risk placement mechanisms. Clients—both corporate and public institutions—increasingly demand brokers' roles as strategic partners capable of reading the business context, comprehensively interpreting risks, and providing value-added recommendations. This situation positions the competencies of brokerage human resources (HR) as a key determinant of the profession's success, not only in regulatory compliance but also in professional credibility. (Evetts, 2014; Susskind & Susskind, 2015)

In Indonesia, the demand for high-quality insurance brokerage human resources has become increasingly evident as the scale and complexity of national projects grow, particularly in infrastructure, energy, and other strategic industry sectors. Brokers' involvement in projects

with international financing, global consortia, and cross-border reinsurance schemes requires competency standards that extend beyond local norms to align with international practices (Ijeh & Puji Rahayu, 2023; Ndlovu, 2022; Singhal et al., 2024). It is in this context that education for the brokerage profession becomes a critical, indispensable element. (Marsh McLennan, 2023)

The Indonesian Insurance and Reinsurance Brokers Association (APARI) plays a central role in delivering brokerage professional education and training (Gultom et al., 2024; Philipo & Lubowa, 2023; Salim & Fajar, 2023). APARI education is designed to meet licensing requirements set by the Financial Services Authority (OJK), while also referring to the Indonesian National Work Competency Standards (SKKNI) and the Indonesian National Qualifications Framework (KKNI). Normatively, this framework provides a solid foundation for developing brokerage professional competencies. However, a key question remains: to what extent does such education address the real demands brokers face in daily practice? (Financial Services Authority, 2022)

Various studies on the insurance brokerage profession have focused primarily on regulation, compliance, and formal certification. This approach is valuable but often insufficient to capture the full spectrum of individual competencies. In practice, a gap exists between competencies formed through formal education and the skills needed to navigate the industry's changing dynamics. This gap grows more relevant in the digital era, where new risks emerge faster than professional education curricula can be updated. (Becker, 1993; Spencer & Spencer, 1993)

Moreover, shifts in the brokerage profession's character also affect non-technical competencies. Communication skills, ethical decision-making, and understanding clients' business contexts are increasingly vital to brokers' professionalism. Such competencies are difficult to develop solely through technical material mastery; they require reflective, experience-based educational approaches. Thus, the quality of professional education graduates cannot be measured only by certification attainment but by individuals' sustained readiness to fulfill their roles. (Evetts, 2014; Goleman, 2017)

In this context, this article examines APARI not merely as an administrative tool for licensing but as a strategic process for building insurance brokerage human resource competencies. The study's focus is on the quality of APARI education graduates and their relevance to strengthening individual competencies amid an era of industrial change marked by digitalization, risk complexity, and global competition. Unlike prior normative research, this article integrates national competency frameworks, industry practice demands, and global dynamics into a unified conceptual analysis framework.

Using a systematic literature review and conceptual analysis, this article reflects on the role of APARI education in shaping individual competencies among Indonesia's insurance brokerage human resources. The scientific novelty lies in linking brokerage professional education to adaptive competency needs in an era of change—a topic rarely addressed comprehensively in national literature. The findings are expected to contribute to APARI's professional education development as well as policies and practices for strengthening insurance and reinsurance broker human resources in Indonesia.

## **METHOD**

This article was compiled using a systematic literature review approach combined with conceptual analysis. The choice of this method is based on the purpose of research that is not directed to test causal relationships empirically, but rather to build a comprehensive understanding of the quality of APARI education graduates and their implications for the individual competence of insurance brokers' human resources (HR) in the face of industry changes. In the context of the study of professional education and policy, conceptual approaches are seen as relevant to evaluate the alignment between normative frameworks, educational practices, and real needs of the industry.

The literature review was carried out by tracing academic publications relevant to the topic of professional education, human resource competency development, and the dynamics of the insurance and reinsurance industry. Literature sources include articles in nationally and internationally reputable journals, academic books, as well as reports of professional institutions and international organizations that have credibility in the field of competency development and the financial services industry. The literature search is focused on publications of the last ten years to ensure relevance to recent developments, although some classical references remain used as conceptual foundations.

In addition to academic literature, this study also utilizes regulatory and policy documents as an important source of data. The document includes the Financial Services Authority (OJK) regulations that regulate the licensing and competence of insurance and reinsurance brokers, the Indonesian National Work Competency Standards (SKKNI), and the Indonesian National Qualifications Framework (KKNI). These documents are treated not only as normative references, but also as analytical frameworks to assess the extent to which APARI's professional education is in line with regulatory demands and the needs of industry practice. (Financial Services Authority, 2022)

The analysis process is carried out through several stages. The first stage is the identification of the main themes, namely APARI education, the quality of graduates, individual competencies, and changes in the industrial environment. The second stage is the classification of competency dimensions, which distinguishes between technical competence, non-technical competence, digital competence, and adaptive competence. This classification is used to map the contribution of professional education to the formation of brokerage human resource competencies in a more structured manner. The third stage is conceptual synthesis, in which findings from various sources of literature are integrated into a coherent framework of thought.

In conducting the analysis, the author not only summarizes the findings of the literature, but also conducts a critical reading of the context of its application in Indonesia. This approach is important considering that some international literature departs from different industrial contexts and educational systems. Therefore, each concept and best practice adopted in this study is considered reflectively by taking into account the characteristics of the national insurance and reinsurance industry.

To maintain the reliability and validity of the study, source triangulation is used, which is to compare findings from academic literature, national regulations, and professional practices that are developing in the industry. This approach is expected to minimize interpretation bias and produce conclusions that are not only theoretically strong, but also practically relevant.

Thus, the research methods used in this article allow for the preparation of a balanced analysis between the academic perspective and the practical reality of the insurance brokerage profession.

## **RESULTS AND DISCUSSION**

### **APARI Education in the Context of the Changing Role of Insurance Brokers**

In recent years, changes in the insurance and reinsurance industry environment have markedly shifted the way the brokerage profession is understood and practiced. If in the early stages of the development of the brokerage industry it plays a more role as an intermediary of transactions between the insured and the insurer, then in the context of the modern industry the role becomes much more complex. Brokers are required to understand the risks thoroughly, read the client's business implications, and provide recommendations that not only meet the terms of the policy, but also support the sustainability of the client's business. (Evetts, 2014; Susskind & Susskind, 2015)

In this context, professional education organized by APARI has a strategic position. APARI education not only serves as an administrative prerequisite for obtaining a professional license, but also as a medium for the formation of a professional mindset of brokers. Through this education, participants are not only introduced to the basic principles of insurance and reinsurance, but are also directed to understand the framework of the profession more broadly, including ethical aspects, professional responsibility, and stakeholder interests.

However, the results of critical reading of various literature and practices show that there are challenges in bridging professional education with the reality of the field. In day-to-day practice, brokers are often faced with situations that are not fully covered by educational normative material, such as commercial pressures, conflicts of interest, or complex negotiation dynamics with insurers and reinsurers. This condition demands competencies that are not only technical, but also reflective and contextual.

APARI education, within the limits of this study, can be seen as an important initial foundation in forming broker competence. However, the foundation needs to continue to be strengthened through a more contextual and experiential learning approach. Professional education that is able to relate concepts to real situations in the industry will be more effective in shaping brokerage professionalism than approaches that focus too much on mastering normative material alone.

### **Quality of APARI Education Graduates and Individual Competency Dimensions**

The quality of professional education graduates is often measured through formal indicators, such as exam pass rates or compliance with certification standards. While these indicators are important, this approach does not fully reflect the quality of individual competencies in professional practice. In the insurance brokerage profession, graduate quality is more appropriately understood as the ability of individuals to consistently apply professional knowledge, skills, and attitudes in dynamic work situations. (Spencer & Spencer, 1993)

Based on the analysis of various sources studied, the quality of APARI education graduates appears to be shaped by the interaction of a number of interrelated factors. The first is the mastery of technical competence, which includes understanding the principles of insurance and reinsurance, policy structures, clauses, and claim mechanisms. This competence

is a basic prerequisite that cannot be negotiated, because without adequate technical mastery the broker will lose its professional credibility.

However, the literature and practical experience show that technical competence alone is not enough. There are many cases where brokers with a good technical understanding remain difficult in providing added value to clients due to limitations in non-technical competencies. Communication competence, for example, becomes crucial when brokers have to explain insurance risks and solutions to decision-makers who don't have a technical background. Similarly, ethical decision-making ability is a determinant of client trust in the long run. (Goleman, 2017)

In this context, APARI education has an important role in instilling the values of professionalism and work ethics. However, the internalization of these values cannot always be achieved only through the delivery of material in the classroom. Reflective learning processes, such as real-case discussions and simulations of ethical dilemmas, tend to be more effective in shaping professional attitudes than one-way learning approaches.

### **The Challenges of Digitalization and the Future of Brokerage Competencies**

Digitalization is one of the most significant factors reshaping the landscape of the global insurance and reinsurance industry. The development of information technology, the use of big data, artificial intelligence, and the emergence of insurtech companies have changed the way risks are analyzed, insurance products are designed, and services are provided to clients. These changes directly affect the roles and competencies required by insurance and reinsurance brokers.

In the context of the brokerage profession, digitalization does not necessarily eliminate the role of intermediaries, but shifts the focus of the role. Brokers no longer compete on transaction speed or access to information alone, as these functions are increasingly automated by digital systems. Instead, the added value of brokers lies in interpretive and analytical capabilities, i.e. the ability to translate complex data and information into strategic recommendations that are relevant to clients.

International literature shows that brokers in the digital age are required to have adequate digital literacy, although they do not have to be technologists. Digital literacy in this context includes a basic understanding of how digital underwriting systems work, the use of data analytics in risk assessment, and awareness of new risks that arise due to digital transformation, such as cyber risks and data protection risks. Brokers who understand the implications of technology on a client's risk profile will be better able to provide comprehensive and sustainable insurance solutions. (Klein & Chi, 2021; OECD, 2019)

For APARI education, the challenge of digitalization presents the need to review the content and learning methods. Professional education that does not accommodate technological developments risks producing graduates who quickly experience skills obsolescence. On the contrary, the integration of digital elements in APARI education can improve the quality of graduates by equipping them with the ability to adapt to industry changes.

In addition to the technical aspects of digital, digitalization also demands changes in the behavioral and cognitive competencies of brokers. Brokers need to develop critical and systemic thinking skills to understand the interaction between technology risk, operational risk,

and client strategic risk. Thus, the future competencies of brokers are not only technical, but also multidimensional and contextual. (World Economic Forum, 2020)

The results of this study show that the quality of APARI education graduates in the digital era is largely determined by the extent to which the education is able to instill adaptive competencies and lifelong learning orientations. Graduates who have an awareness of the importance of continuous learning will be better prepared to face ongoing technological and regulatory changes. In the long term, this approach will strengthen the sustainability of the insurance and reinsurance brokerage profession in Indonesia.

In addition to technical and non-technical competencies, the dimension of adaptive competence is also a determinant of the quality of graduates in the era of change. Adaptive competencies reflect an individual's ability to learn, adapt, and respond to changes in the work environment. In the ever-evolving insurance industry, brokers who lack adaptive capabilities risk falling behind, despite having good technical competence at first. Therefore, the quality of APARI education graduates also needs to be seen from the extent to which the education encourages lifelong learning attitudes.

### **Conceptual Model of Competencies of Insurance and Reinsurance Brokers Based on APARI Education**

Based on a synthesis of literature and conceptual analysis, this article views the strengthening of brokerage HR competencies as a multidimensional process involving technical, non-technical, digital, and adaptive competencies. (Spencer & Spencer, 1993; ANZIIF, 2021). APARI education serves as a starting point in the process, with a strategic role in forming the foundation of individual competencies.

The conceptual model developed emphasizes that the success of professional education cannot be measured only by short-term achievements, such as exam passes, but by its impact on brokers' ability to carry out professional roles on an ongoing basis. Within this framework, APARI education needs to be positioned as part of a broader learning ecosystem, which includes early education, continuing professional development, and experiential learning.

This model also shows that strengthening the competence of brokers cannot be separated from the industry and regulatory contexts. Therefore, the development of professional education needs to be carried out dynamically, involving industry stakeholders and regulators. This collaborative approach allows APARI education to remain relevant and responsive to changes in the industrial environment. To clarify the conceptual model, Table 1 presents a mapping of the dimensions of competence, key elements, the contribution of APARI education, and the demands of the times.

**Table 1. Conceptual Model of Broker Human Resources Competency Based on APARI Education**

<b>Competency Dimension</b>	<b>Key Competency Elements</b>	<b>APARI's Educational Contribution</b>	<b>The Demands of the Times' Development</b>
Technical Competence	Insurance and reinsurance principles, policies, claims, underwriting	Establishment of a foundation of professional expertise	Complex risk, hybrid products, global placement
Non-Technical Competencies	Communication, negotiation, ethics, governance	Inculcating ethical values and professionalism	Consultative advisory, stakeholder management

<b>Competency Dimension</b>	<b>Key Competency Elements</b>	<b>APARI's Educational Contribution</b>	<b>The Demands of the Times' Development</b>
Digital Competence	Insurtech literacy, risk data understanding, cyber risk	Introduction to technology and its implications	Digital underwriting, big data, AI
Adaptive Competencies	Lifelong learning, cognitive flexibility	Formation of a sustainable professional mindset	Technological disruption, regulatory changes

Source: compiled by the author based on a literature review

This conceptual model makes a theoretical and practical contribution to the development of brokerage professional education in Indonesia. Theoretically, this model enriches the discourse on professional competence in the financial services sector by integrating national and global perspectives. Practically, this model can be a reference for APARI and regulators in evaluating and improving the professional education curriculum to be more responsive to industry dynamics.

### **Strategic Implications for APARI and Regulators**

The results of the discussion in this article show that strengthening the competence of insurance brokers' human resources cannot be separated from the quality of professional education received from the beginning. In this context, APARI education has strategic implications that are not only limited to the interests of professional associations, but also to the sustainability of the insurance and reinsurance industry more broadly. Therefore, improving the quality of APARI education graduates needs to be seen as a joint strategic agenda between professional education providers, regulators, and industry players. (Chartered Insurance Institute, 2022)

For APARI, the main implication of this study is the need for a more contextual and adaptive educational approach. It is not enough for the professional education curriculum to be prepared only to meet normative licensing standards, but it needs to be periodically evaluated based on developments in industry practices. The integration of real-life case studies, problem-based learning, and reflective discussions of the professional dilemmas that brokers often face can increase the relevance of education to the needs of the field. This kind of approach allows educational participants to understand not only "what should be done", but also "how and why" professional decisions are made in certain situations.

In addition, APARI education needs to increasingly emphasize the development of non-technical and adaptive competencies. Communication competencies, ethical decision-making, and the ability to learn independently are becoming increasingly important in the midst of rapid industry change. Professional education that encourages participants to think critically and reflectively will be more effective in shaping brokerage professionals who are able to maintain the relevance of their competencies throughout their careers. In this context, APARI education can be positioned as the initial foundation of the lifelong learning process, not as the final stage of competency development.

From a regulator's perspective, the study's findings underscore the importance of policies that support sustainable competency development for insurance and reinsurance brokers. Regulations that only focus on initial licensing requirements have the potential to be less responsive to industry dynamics. Therefore, strengthening the Continuing Professional

Development (CPD) scheme that is competency-based and relevant to practical needs is a strategic step to ensure that the professional quality of brokers is maintained.

Furthermore, synergy between APARI, regulators, and industry players needs to be strengthened through a mechanism of dialogue and continuous collaboration. The involvement of industry players in the development of professional education curriculum can help ensure that learning materials remain aligned with the real challenges brokers face in the field. With this collaborative approach, brokerage professional education not only serves as a quality control instrument, but also as a means of developing the capacity of the industry as a whole.

## CONCLUSION

This article conceptually analyzes the role of APARI education in bolstering individual competencies among Indonesia's insurance brokerage human resources amid industry shifts driven by risk complexity, digitalization, and global competition. Through systematic literature review and conceptual analysis, it finds that APARI education is pivotal for broker professionalism, extending beyond technical insurance knowledge to encompass non-technical and adaptive skills essential for dynamic environments; however, its success hinges on aligning curricula and methods with real-world demands, as gaps here undermine effectiveness. Viewing education as an ongoing, lifelong process (OECD, 2019) enhances industry competitiveness and credibility. For future research, empirical studies—such as surveys or longitudinal tracking of APARI graduates' performance in practice—could validate these conceptual insights and quantify the impact of curriculum reforms on adaptive competency outcomes.

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