INSURANCE DISTRIBUTION

IN-HOUSE KNOWLEDGE AND COMPETANCY TRAINING

AUTUMN & WINTER 2019

INSURANCE DISTRIBUTION REQUIRED KNOWLEDGE AND COMPETENCE

FOUNDATION COURSE PROGRAMME – Minimum 5 hrs CPD

Session 1 - Introduction – why you need to be here

- Overview of key changes to regulation over UK financial services
- What is the Senior Managers and Certification Regime (SM&CR)?
- What is the Insurance Distribution Directive (IDD)?
- The new requirements under these for demonstrating knowledge and competence
- How this course will cover those requirements

Session 2 - The UK insurance market and how it is regulated

- The structure of the market; the Lloyd's insurance market and other routes to market
- How things used to operate; how regulation over the market developed
- Regulation today and the Financial Conduct Authority's (FCA) operational objectives
- Authorisation by the FCA. Which firms must be regulated to do what?
- Regulated insurance, connected contracts and Appointed Representatives
- How regulation has reacted to the changes in the market landscape
- What has gone wrong?

Session 3 - How regulators have dealt with "What went wrong"

- Rules-based and Principles-based regulation
- What are good consumer outcomes?
- The Consumer Protection Objective; customers' best interests and unfair terms
- How the Competition and Market Integrity Objectives fit in
- Individual responsibility and the SM&CR
- Good repute

Session 4 - Regulating products

- Product design, oversight and governance – the new PROD Sourcebook
- Who takes responsibility for what?
- Who is a manufacturer?
- Co-manufacturing
- Who is a distributor?

- Product oversight and governance – manufacturers
- Product oversight and governance – distributors
- What happens when things go wrong

Session 5 - Regulating conduct of business

- How ICOBS fits into Principles-based regulation
- The structure of ICOBS
- The Customer's Best Interest Rule
- Responsibility for Connected Contracts
- Distance Contracts
- Information about the firm, its services and disclosure of remuneration
- Eligibility and how customer needs must be identified, assessed and confirmed
- Product information and the Appropriate Information Rule
- The Insurance Product Information Document
- Cross selling, optional and add-on insurance disclosures
- Cancellation and renewals
- Protecting customer money

Session 6 - Complaints handling

- Who can complain and what is a complaint?
- The DISP Sourcebook
- Consumer awareness
- The complaints handling rules
- The complaints resolution rules
- Complaints resolved within three business days
- The complaints time limits rules
- The complaints forwarding rules
- Learning from complaints – the link to product design

Session 7 - Claims handling

- What customers expect
- What are the rules?
- The insurer's responsibilities
- When can a claim be rejected?
- Fraud and misrepresentation
- The FCA review of claims handling
- The FCA review of claims outsourcing
- Learning from claims – the link to product design and conduct of business

Questions and discussion

PRODUCT REVIEWS FOR GENERAL INSURANCE INTERMEDIARIES

TRAINING BY PAGINATOR LIMITED

Minimum 3 Hours CPD

Who should Attend?

- *Senior Management with responsibility for product oversight and governance*
- *Non-Executive Directors*
- *Underwriters*
- *Legal, Risk and Compliance Managers*
- *Product Designers and Managers*
- *Marketing and Business Development and Client Managers*
- *Complaints and Claims Managers*

Course Content

Session 1

- The regulatory background
- The RPPD
- How the IDD changed everything
- How the FCA implemented the IDD requirements
- The Product Intervention and Product Governance Sourcebook (PROD)
- How PROD fits in with the rest of the Handbook

Session 2

- The new terminology – who is a Manufacturer and who is a Distributor?
- Co-Manufacturing
- Product Governance responsibilities for Manufacturers
- Product Governance responsibilities for Distributors

Session 3

- Product value and value in insurance distribution
- PROD 4.5 How product governance must interact with value requirements

Session 4

- Undertaking Product Reviews – the basics
- The role of Senior Management
- What to do before undertaking any Product Reviews
- Who should be involved in Product Reviews?
- How should Product Review work be structured?
- Where to start? Establishing priorities

Session 5

- The three phases of your Product Review
- The Assessment Phase
- The 4 key Product Risks
- Oversight of risk and consumer challenge
- The Product Review Report

Session 6

- The Decisions Phase
- The Implementation Phase

- Q&A and discussion

FCA VALUE REQUIREMENTS FOR GENERAL INSURANCE

TRAINING BY PAGINATOR LIMITED

Minimum 3 Hour CPD

Who should Attend?

- *Senior Management with responsibility for product oversight and governance*
- *Non-Executive Directors*
- *Underwriters*
- *Legal, Risk and Compliance Managers*
- *Product Designers and Managers*
- *Marketing and Business Development and Client Managers*
- *Complaints and Claims Managers*

Course Content

Session 1- The Background

- The issues
- The wider regulatory context
- What powers do the FCA have to intervene?
- What is "Value"?

Session 2 - Value Measures

- The Add-on Market Study
- The Value Measures Pilot
- What are "Value Measures"
- How do they work?
- What the FCA learned from the Pilot Study
- The extension of VM reporting to all GI
- How will it work?
- Product scope
- Reporting responsibility
- Key elements of data reporting
- Metrics and metric definitions
- Publication of data
- The link to product governance
- What happens next?

Session 3 - Value in the Distribution Chain

- Background and context
- The issue
- The link with Value Measures
- FCA's Thematic Review TR19/2
- Key concerns
- The potential harms for consumers
- Purchase of unsuitable products
- Overpayment by customers
- Linking value to fundamental regulatory obligations
- Excessive pricing
- Examples
- A commission threshold?
- What the FCA expects
- Solving value issues within product design
- Solving value issues within product distribution
- Commission and remuneration
- FCA Guidance
- The Dear CEO Letter - must do actions
- What happens next?
- Q&A and discussion

REQUIRED SM&CR OUTCOMES FOR GENERAL INSURANCE INTERMEDIARIES

TRAINING BY PAGINATOR LIMITED

Minimum 1 Hour CPD per Session

Who should Attend?

- *Session 1 Senior Managers and Non-Executive Directors*
- *Session 2 Certified Staff (despite some overlap, we recommend the Senior Manager(s) responsible for Certification and NEDs attend also)*
- *Session 3 All other staff (excepting Ancillary Staff)*

Course Content

Session 1 - *Senior Managers and Non-Executive Directors*

- What is the SM&CR?
- Why has it been extended to all authorised firms?
- The SM&CR in the context of your firm's regulatory obligations
- The applicability of the regime to your firm
- Prescribed Responsibilities
- The Statutory Duty of Responsibility
- How the Duty of Responsibility will be enforced
- Senior Management Conduct Rules (and which apply to NEDs?)
- How the Conduct Rules affect culture and behaviour
- Training and awareness obligations
- The Fit and Proper Test
- Regulatory References
- Criminal Records Checks
- The Financial Services Directory
- Questions and discussion

Session 2 - *Certified Staff*

- What is the SM&CR?
- Why has it been extended to all authorised firms?
- The SM&CR in the context of your firm's regulatory obligations
- What is the Certification Regime?
- What must be certified?
- What does it mean to be certified?
- The Conduct Rules and what they mean for you
- How the Conduct Rules affect culture and behaviour
- Training and awareness obligations
- Regulatory references and the Financial Services Directory
- Questions and discussion

Session 3 - O*ther non-Ancillary Staff*

- What is the SM&CR?
- Why has it been extended to all authorised firms?
- The SM&CR in the context of your firm's regulatory obligations
- The Conduct Rules and what they mean for you
- How the Conduct Rules affect culture and behaviour
- Training and awareness obligations
- Questions and discussion