

INSURANCE DISTRIBUTION REQUIRED KNOWLEDGE AND COMPETENCE

FOUNDATION COURSE PROGRAMME (21/22) – Minimum 9 hrs CPD

Introduction – why you need to be here

- Overview of the key objectives of, and required outcomes from, regulation over UK financial services
- What is the Senior Managers and Certification Regime (SM&CR)?
- What are the FCA requirements for demonstrating knowledge and competence?
- How the course will cover those requirements

Sessions 1 & 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?

Sessions 3 & 4 - 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
- Culture, value and a consumer duty

Sessions 5, 6, 7 & 8 - Regulating products

- Product design, oversight and governance – the PROD Sourcebook
- Assessing fair value and the target market
- Who takes responsibility for what?
- Who is a manufacturer?
- Co-manufacturing
- Who is a distributor?
- Product oversight and governance – Product Reviews by manufacturers

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

Sessions 9 & 10 - 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 11 - 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 12 - 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

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PRODUCT REVIEW TRAINING (21/22) – Minimum 3.5 hrs CPD

Session 1 – The regulatory context

- Failure of regulation at the point of sale
- The FCA's new focus and objectives
- Firm cultures and business models
- Principles-based regulation and TCF Outcomes
- The impact of the SM&CR
- The FCA's focus for enforcement
- The IDD – product governance and customer best interests
- The PROD Sourcebook
- The FCA's wider focus for oversight over product value

Session 2 – Getting your firm into shape

- Reviewing your business model
- Reviewing your culture
- Reviewing senior management oversight
- Reviewing what role your firm plays in product development
- Who is a manufacturer?
- Who is a distributor?
- Joint manufacturing
- Reviewing systems and controls
- Reviewing internal & external information
- Understanding the regulatory risks

Session 3 – Planning your product reviews

- Where to start?
- The core PROD obligations
- The processes to be followed
- Who should be involved?
- The role of the Product Review Group
- When, and how often?
- Which products, in which order?
- The product database
- Identifying and measuring risk
- Regulatory monitoring
- Setting priorities

Session 4 – Undertaking Product Reviews (1)

- The three phases of a review
- The Assessment Phase
- The four risks to be reviewed
- Assessing your customer risk
- Identifying your target market
- Testing the target market
- Assessing your product risk
- Product complexity & documentation
- How to undertake a fair value assessment

Session 5 – Undertaking Product Reviews (2)

- Assessing your sales & distribution risk
- Oversight and control of distribution
- Key risks to fair value in distribution
- Assessing fair value in distribution
- Supporting distributors
- Assessing your service risk
- Integrating complains and feedback
- The customer perspective
- Customer challenge
- Your Product Review Report

Session 6 – Decisions and Remedial Actions

- The Decision Phase
- Rectifying product risk
- Remedying product risk
- Existing products versus new products
- Meeting PROD obligations
- Remedies in the distribution chain
- Principle 11 and SUP 15
- Engagement with the FCA
- The Implementation Phase
- Implementing change
- Management/Owner issues
- Entrenched positions
- Putting Product Reviews in a wider context

Question & Discussion Session