

## Chapter 5

# Client money: insurance distribution activity

## 5.8 Safe keeping of client's documents and other assets

### Application

5.8.1

**R**

- (1) ■ CASS 5.8 applies to a *firm* (including in its capacity as trustee under ■ CASS 5.4) which in the course of *insurance distribution activity* takes into its possession for safekeeping any *client* title *documents* (other than *documents* of no value) or other tangible assets belonging to *clients*.
- (2) ■ CASS 5.8 does not apply to a *firm* when:
  - (a) carrying on an *insurance distribution activity* which is in respect of a *reinsurance contract*; or
  - (b) acting in accordance with ■ CASS 6 (Custody rules).

### Purpose

5.8.2

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The *rules* in this section amplify the obligation in *Principle 10* which requires a *firm* to arrange adequate protection for *client's* assets. *Firms* carrying on *insurance distribution activities* may hold, on a temporary or longer basis, *client* title *documents* such as *policy documents* (other than *policy documents* of no value) and also items of physical property if, for example, a *firm* arranges for a valuation. The *rules* are intended to ensure that *firms* make adequate arrangements for the safe keeping of such property.

### Requirement

5.8.3

**R**

- (1) A *firm* which has in its possession or control *documents* evidencing a *client's* title to a *contract of insurance* or other similar *documents* (other than documents of no value) or which takes into its possession or control tangible assets belonging to a *client*, must take reasonable steps to ensure that any such *documents* or items of property:
  - (a) are kept safe until they are delivered to the *client*;
  - (b) are not delivered or given to any other *person* except in accordance with instructions given by the *client*; and that a record is kept as to the identity of any such *documents* or items of property and the dates on which they were received by the *firm* and delivered to the *client* or other *person*.
- (2) A *firm* must retain the record required in (1) for a period of three years after the document or property concerned is delivered to the *client* or other *person*.