

Chapter 7

Insurance distribution

7.4 Insurance distribution: Means of communication to clients

- 7.4.1 **R** This section applies to all information required to be provided to a *client* in ■ COBS 7.3 and where it is stated to apply in other sections or chapters.

Means of communication to customers: Non-telephone sales

- 7.4.2 **R**
- (1) A *firm* must communicate information to a *client* using any of the following:
 - (a) paper; or
 - (b) a *durable medium* other than paper; or
 - (c) a website (where it does not constitute a *durable medium*) where the *website conditions* are satisfied.
 - (2) The *firm* must communicate the information in (1):
 - (a) in a clear and accurate manner, comprehensible to the *client*;
 - (b) in an official language of the *State of the commitment* or in any other language agreed by the parties; and
 - (c) free of charge.

[Note: article 23(1), (2), (4) and (5) of the *IDD*]

- 7.4.3 **R** Where the information is communicated using a *durable medium* other than paper or by means of a website, the *firm* must, upon request and free of charge, also send the *customer* a paper copy.

[Note: article 23(3) of the *IDD*]

Means of communications to clients: Telephone sales

- 7.4.4 **R** In the case of telephone selling:
- (1) the information must be given in accordance with the distance marketing disclosure *rules* (see ■ COBS 5); and
 - (2) if prior to the conclusion of the contract the information is provided:
 - (a) orally; or
 - (b) on a *durable medium* other than paper,

the *firm* must also provide the information to the *client* in accordance with ■ COBS 7.4.2R and ■ COBS 7.4.3R immediately after the conclusion of the *life policy*.

[Note: article 23(7) of the *IDD*]