

Chapter 6A

Product specific rules



6A.1 Guaranteed asset protection (GAP) contracts

Application

6A.1.1 **R** This section applies to a *firm* which sells a *GAP contract* to a *customer* in connection with the sale of a *vehicle* by:

- (1) the *firm*; or
- (2) a *person* connected to the *firm*.

6A.1.2 **G** There is a sufficient connection between the *GAP contract* and the sale of a *vehicle* if the *GAP contract* is sold in connection with other goods and services, for example a *credit agreement*.

6A.1.3 **G** A *person* connected with a *firm* includes acting as an *introducer* or *appointed representative* for that *firm* or if, regardless of *authorisation* status, it has a relevant business relationship with the *firm*.

Ensuring the customer can make an informed decision

6A.1.4 **R**

- (1) Before a *GAP contract* is concluded, a *firm* must give the *customer* the following information:
 - (a) the total *premium* of the *GAP contract*, separate from any other prices;
 - (b) the significant features and benefits, significant and unusual exclusions or limitations, and cross-references to the relevant policy document provisions;
 - (c) whether or not the *GAP contract* is sold in connection with *vehicle finance*, that *GAP contracts* are sold by other distributors;
 - (d) the duration of the *policy*;
 - (e) whether the *GAP contract* is optional or compulsory;
 - (f) when the *GAP contract* can be concluded by the *firm*, as described in ■ ICOBS 6A.1.6R and ■ ICOBS 6A.1.7R; and
 - (g) the date the information in (a) to (f) is provided to the *customer*.
- (2) This information must be communicated in a clear and accurate manner and on paper or another *durable medium* in accordance with ■ ICOBS 4.1A.

(3) This information must be drawn to the *customer's* attention and must be clearly identifiable as key information that the *customer* should read.

6A.1.5 **G** A *firm* must also comply with the *rules* in ■ ICOBS 6 (Product Information).

Deferred opt-in for GAP contracts

6A.1.6 **R** Except as specified in ■ ICOBS 6A.1.7R, a *GAP contract* cannot be concluded by a *firm* until at least 2 clear *days* have passed since the *firm* complied with ■ ICOBS 6A.1.4R.

6A.1.7 **R** A *firm* can conclude a *GAP contract* the *day* after providing the information in ■ ICOBS 6A.1.4R to a *customer* if the *customer*:

- (1) initiates the conclusion of the *GAP contract*; and
- (2) consents to the *firm* concluding the *GAP contract* earlier than provided for in ■ ICOBS 6A.1.6R, and confirms that they understand the restriction in ■ ICOBS 6A.1.6R.

6A.1.8 **G** Before concluding a *GAP contract*, a *firm* should have regard to the information needs of its *customers* and consider whether it would be in the *customer's* interest to receive the information in ■ ICOBS 6A.1.4R again, for example, if a long time has passed between providing the information and the conclusion of the contract.



6A.2 Optional additional products

Restriction on marketing or providing an optional product for which a fee is payable

6A.2.1

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- (1) A *firm* must not enter into an agreement with a *customer* under which a charge is, or may become, payable for an *optional additional product* unless the *customer* has actively elected to obtain that specific product.
- (2) A *firm* must not impose a charge on a *customer* for an *optional additional product* under an agreement entered into on or after 1 April 2016 unless the *customer* has actively elected to obtain that specific product before becoming bound to pay the charge.
- (3) A *firm* must not invite or induce a *customer* to obtain an *optional additional product* for which a charge will be, or may become, payable if the *firm* knows or has reasonable cause to suspect that:
 - (a) a contravention of (1) or (2) will take place with respect to the product; or
 - (b) the *person* supplying the *optional additional product* will act in a way that would contravene (1) or (2) if that *person* were a *firm*.
- (4) An omission by a *customer* is not to be regarded as an active election for the purpose of this *rule*.
- (5) It is immaterial for the purposes of (3) whether or not the *firm* would or might be a party to the agreement for the *optional additional product*.
- (6) A charge includes a financial consideration of any kind whether payable to the *firm* or any other *person*.
- (7) [deleted]
- (8) If the *customer* is required to obtain an additional product as a condition for the purchase of the *non-investment insurance contract* then that product is an *optional additional product* if the *customer* is given a choice:
 - (a) as to the seller or supplier from whom to obtain the product; or
 - (b) which specific product to obtain.

- (9) It is immaterial for the purposes of (7) and (8) whether the *optional additional product* is obtained from the *firm* or another *person*.
- (10) (a) If, under the terms and conditions of an *optional additional product*, there is to be an automatic renewal of the agreement on substantially the same terms, it suffices for the purposes of (1) to (3) if the *customer* actively elected before entering into the initial agreement or a preceding renewal to obtain the product.
 - (b) An automatic renewal of the agreement is not to be regarded as being on substantially the same terms if, following the renewal, a charge will or may become payable for the *optional additional product* for the first time (in which case, (1) to (3) apply at the time of the renewal).
 - (c) Except as set out in (b), changes in the level of charges for an *optional additional product* are to be disregarded in determining whether an automatic renewal of an agreement is on substantially the same terms.
- (11) A *customer* may make an active election for the purposes of this rule through an intermediary in the sales process or through a *person* acting on behalf of the *firm*.

- 6A.2.2 G An example of an omission by a *customer* which is not to be regarded as an active election is the failure by the *customer* to change a default option such as a pre-ticked box on a website.
- 6A.2.3 G *Firms* are reminded that a similar prohibition on opt-out selling of add-on products is imposed by The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 in relation to optional additional agreements where the main sale is not a financial service or product.
- 6A.2.4 G *Firms* are reminded that they must ensure that their *appointed representatives* comply with this section ■ ICOBS 6A.2.
- 6A.2.5 G *Firms* are reminded that *retail premium finance* is an *optional additional product* for the purposes of ■ ICOBS 6A.2.1R.



6A.3 Cross-selling

Requirements where insurance is the primary product

- 6A.3.1** **R** When offering a non-insurance ancillary product or service as part of a package or the same agreement with an insurance product, a *firm* must:
- (1) inform the *customer* whether it is possible to buy the different components separately and, if so must provide the *customer* with an adequate description of:
 - (1) the different components;
 - (b) where applicable, any way in which the risk or insurance coverage resulting from the agreement or package differs from that associated with the components taken separately; and
 - (2) provide the *customer* with separate evidence of the costs and charges of each component.

[Note: articles 24(1) and (2) of the *IDD*]

Requirements where insurance is the ancillary product

- 6A.3.2** **R** When offering an insurance product ancillary to and as part of a package or in the same agreement with a non-insurance product or service, a *firm* must offer the *customer* the option of buying the non-insurance goods or services separately.
- 6A.3.3** **R** ■ ICOBS 6A.3.2R does not apply where the non-insurance product or service is any of the following:
- (1) *investment services or activities*;
 - (2) a credit agreement as defined in point 3 of article 4 of the *MCD* which is:
 - (i) an *MCD credit agreement*; or
 - (ii) an *exempt MCD credit agreement*; or
 - (iii) a *CBTL credit agreement*; or
 - (iv) a credit agreement referred to in articles 72G(3B) and (4) of the *Regulated Activities Order*;

(3) a payment account as defined in regulation 2(1) of the *Payment Accounts Regulations*.

[Note: article 24(3) of the *IDD*]

General

6A.3.4

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This section does not prevent the distribution of insurance products which provide coverage for various types of risks (multi-risk insurance policies).

[Note: article 24(5) of the *IDD*]

6A.3.5

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In addition to the rules in **ICOBS 6A.3** firms should still comply with the other *rules* in *ICOBS* relating to the offer and sale of insurance products that form part of the package or agreement, such as those applying to price disclosure (**ICOBS 6.1.13R**), *optional additional products* (**ICOBS 6A.2**) and specifying the demands and needs of the *customer* (**ICOBS 5.2.1R**).

[Note: article 24(6) of the *IDD*]



6A.4 Travel insurance and medical conditions

Application

6A.4.1 **R** This section applies in relation to a *travel insurance policy*, which is not:

- (1) a *group policy*; or
- (2) a *policy* entered into by a *commercial customer*.

Purpose

6A.4.2 **G** The purpose of this section is to improve access for *consumers* to *travel insurance policies* that include cover for more serious medical conditions.

Medical cover firm directory

6A.4.3 **R**

- (1) A *firm* must include the details of a *medical cover firm directory* on the page of its website where it markets *travel insurance policies*.
- (2) The information required by (1) must:
 - (a) be provided in a prominent, clear and accurate manner; and
 - (b) include the contact details of the *medical cover firm directory*, including its telephone number and a link to its website;
- (3) The obligations in (1) and (2) apply 30 calendar days from the date on which the *firm* becomes aware (or ought reasonably to have become aware) of a publicly available directory that meets the requirements of a *medical cover firm directory*.

6A.4.4 **G** The *FCA's* website contains a list of those directories which it considers to be *medical cover firm directories*.

Additional pre-contract information for the consumer

6A.4.5 **R**

- (1) Where one or more circumstances set out in **ICOBS 6A.4.6R** applies, the *firm* that is responsible for communicating with the *consumer* under this sourcebook, must also communicate to the *consumer*:
 - (a) the contact details, including telephone number and website, of the *medical cover firm directory*;
 - (b) the purpose of the *medical cover firm directory*; and

- (c) the potential benefits of accessing the *medical cover firm directory* and any other relevant considerations.
- (2) The *firm* must communicate the information in (1):
 - (a) in a manner that is prominent, clear and accurate; and
 - (b) in accordance with ■ ICOBS 4.1A.

The circumstances

6A.4.6

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The circumstances for the purposes of ■ ICOBS 6A.4.5R are where a *firm*:

- (1) declines, or otherwise does not offer, a *consumer* a quotation due (wholly or partly) to a medical condition;
- cancels a *consumer's policy* due (wholly or partly) to a medical condition;
- offers a *policy* with a *medical condition exclusion* which cannot be removed from the *policy*;
- offers a *policy* with a *medical condition premium* of £100 or more; and/or
- offers a *policy* in respect of which the *medical condition premium* is not known.

6A

Content of communication

6A.4.7

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When describing the purpose and potential benefits of accessing the *medical cover firm directory*, the communication provided to consumers pursuant to ■ ICOBS 6A.4.5R should:

- (a) tell the *consumer* why they are receiving the communication;
- (b) taken as a whole, not discourage the *consumer* from using the directory; and
- (c) otherwise be the result of careful consideration by the *firm* of *consumer* needs and expectations in light of the requirements of relevant *principles* and *rules*, including *Principles* 6, 7 and 8.

An example of a relevant consideration (referred to in ■ ICOBS 6A.4.5R(1)(c)) is where multiple *consumers* have applied for a joint travel insurance *policy* from the *firm* and should consider the consequences of purchasing separate *travel insurance policies*.

Exception: multiple policies

6A.4.8

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A *firm* need not comply with ■ ICOBS 6A.4.5R where it is contemporaneously able to communicate an offer to a *consumer* of a *travel insurance policy* in respect of which none of the circumstances set out in ■ ICOBS 6A.4.6R apply.

Exception: consumer has already accessed the medical cover firm directory

6A.4.9 **R** A firm need not comply with **ICOB 6A.4.5R** where all the following conditions are met:

- (1) the firm is listed on a medical cover firm directory;
- (2) the firm is aware that the consumer has already accessed the medical cover firm directory in respect of the same risk; and
- (3) only **ICOB 6A.4.6R (4)** applies.

6A.4.10 **R** A firm must not rely on the exception in **ICOB 6A.4.8R** or **ICOB 6A.4.9R** where it would still be in the consumer’s best interests to provide the communication under **ICOB 6A.4.5R**.

6A.4.11 **G** An example of where it may be in the consumer’s best interests to provide the communication is where the consumer has expressed dissatisfaction to the firm with the quote provided.

6A.4.12 **G**

- (1) Whether a firm has responsibility for communicating with the consumer under this section will depend on the rules in this sourcebook applicable to the relevant circumstances, and the language of relevant provisions in this section should be construed accordingly. See, for example, **ICOB 5.1.3CR** (Packaged bank accounts), **ICOB 6.-1R** (Producing and providing product information), **ICOB 6.1** (Providing product information to customers) and **ICOB 6.5** (Renewals).
- (2) Guidance on the application of these requirements to an insurer that is an incoming firm can be found at **ICOB 1 Annex 1 (Part 2) 5.1R**.
- (3) Firms with appointed representatives are reminded that the effect of s39(4) of the Act is that where the appointed representative carries out the relevant activity, the firm must ensure that the appointed representative complies with the relevant provision (see **SUP 12.3.1G**).

Assessment of medical condition risk

6A.4.13 **G**

- (1) Firms should assess the risk associated with medical conditions and calculate medical condition premiums by reference to reliable information that is relevant to the assessment of the risk. Firms which do not do this may communicate unclear, unfair or misleading price information to consumers and so risk breaching Principles 2, 6 and/or 7, and **ICOB 2.2.2R** and/or **ICOB 2.5-1R**. Firms also need to consider their obligations under the Equality Act 2010.
- (2) Firms are also reminded of their obligations in **PROD 4.2** or **4.3** to identify and distribute travel insurance policies to the target market.
- (3) Prior to a firm offering a policy with a very high medical condition premium, the firm should take all reasonable steps to consider whether:

- (a) the nature of the medical screening or assessment process is insufficient to provide reliable information which is relevant to the assessment of the risk associated with the particular medical condition;
 - (b) the high premium is intended to indicate an unwillingness to accept the risk by the *insurer*; or
 - (c) the high premium is due to the medical condition falling outside of the *insurer's* risk appetite or the target market for the product.
- (4) Where this is the case, offering a quote may mislead the *consumer* and/or result in them not being treated honestly, fairly and professionally in their best interests. A *firm* should consider instead whether it would be more appropriate not to offer a quote for the risk, explain the reason/s why not to the *consumer* and provide them with the details of the *medical cover firm directory* under
- ICOBS 6A.4.5R.



6A.5 Retail premium finance: disclosure and remuneration

Other requirements in the Handbook

6A.5.1

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This section does not affect the application of other requirements in the *FCA Handbook* applying to *firms* in relation to a *regulated credit agreement*.

Pre-contract information

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In good time before the conclusion of a *policy* including on any *renewal*, a *firm* offering *retail premium finance* in relation to that *policy* must give the *customer*:

- (1) price information about:
 - (a) the total cost of the *policy* if purchased without *retail premium finance*;
 - (b) the total cost of the *policy* with *retail premium finance* including costs of, or associated with, the *retail premium finance*; and
 - (c) any difference in the costs in (a) and (b), alongside each other;
- (2) a description that the use of *retail premium finance* arrangements will be more expensive for the *customer* compared to paying for the *policy* upfront;
- (3) details of any difference between the duration of the *policy* and that of the *retail premium finance*; and
- (4) where the price information is presented on any basis other than annually, an explanation alongside that information of any difference between the total price to be paid by the *customer* when buying with or without *retail premium finance*.

6A.5.3

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The information in ■ ICOB 6A.5.2R must be communicated:

- (1) in a way that is accessible and which draws the *consumer's* attention to it as key information; and
- (2) in accordance with ■ ICOB 4.1A.

Active election

6A.5.4 **G** For the purposes of ■ ICOBS 6A.2.1R, providing the *customer* with the choice between paying monthly or annually will not be sufficient to show the *customer* has made an active election to obtain the *retail premium finance*.

Premium finance related remuneration

6A.5.5 **R** A *firm* must not propose or arrange the use of any particular *retail premium finance* where that would be inconsistent with the *firm's* obligations in the *FCA Handbook*, including the *customer's best interest rule*, ■ SYSC 19F.2 or ■ CONC.

6A.5.6 **G**

- (1) *Firms* are reminded of their obligations elsewhere in the *FCA Handbook* including:
 - (a) *Principles* 1 and 6 to act with integrity and treat customers fairly;
 - (b) *Principle* 8 to manage conflicts of interest fairly, both between itself and its *customers* and between a *customer* and another *client*. This principle extends to the *remuneration* a *firm* receives including soliciting or accepting inducements where this would conflict with a *firm's* duties to its *customers*;
 - (c) conflicts of interest requirements in ■ SYSC 3.3 (for *insurers*) or ■ SYSC 10 (for *insurance intermediaries*);
 - (d) the *customer's best interests rule*, and ■ SYSC 19F.2 to ensure remuneration arrangements do not conflict with their duty to comply with the *customer's best interests rule*.
- (2) An inducement is a benefit offered to a *firm*, or any *person* acting on its behalf, with a view to that *firm*, or that *person*, adopting a particular course of action. This can include, but is not limited to, cash, cash equivalents, commission, goods, hospitality or training programmes.

6A.5.7 **G**

- (1) *Firms* should consider, at inception and then on a regular basis, their arrangements with providers or distributors of *retail premium finance* and whether they could give an incentive to act in a way that is inconsistent with the *customer's best interests rule* or otherwise could risk breaching any of the provisions referred to in ■ ICOBS 6A.5.6G above. For example, a *firm's* remuneration arrangements should not provide an incentive to offer *retail premium finance* having greater costs to the *customer* (including a higher *APR*) where another *retail premium finance* arrangement, better aligned with the *customer's* interests, is available to the *firm* in the market.
- (2) For the purposes of (1) a *firm* would be considering its arrangements with providers or distributors of *retail premium finance* on a regular basis where these arrangements are assessed as part of the *firm's* compliance with ■ PROD 4.2.35AR (for a *manufacturer*) or ■ PROD 4.3.6AR (for a *distributor*) to consider if these arrangements are consistent with providing fair value.
- (3) When considering its arrangements with providers or distributors of *retail premium finance*, both before entering into any arrangement and on a regular basis, a *firm* should be able to demonstrate:

- (a) how the arrangements provide a fair outcome for the *customer*; and
- (b) why that arrangement was selected.

For example, where the *firm* receives a greater level of remuneration, whether through a higher commission rate or otherwise, compared to other arrangements available to it, including any monthly payment arrangement where the price to the *customer* is not greater than where the policy is sold on a standalone basis, it will need to demonstrate how this selection was consistent with the *customer's best interests rule*.

- (4) Where the *remuneration firms* receive in relation to *retail premium finance* conflicts with the duty to comply with the *customer's best interests rule* they will need to take appropriate actions to address the situation including, where necessary, changing *retail premium finance* providers.

6A



6A.6 Cancellation of automatic renewal

Application

- 6A.6.1 **R** This section applies in relation to all *general insurance contracts* entered into with *consumers* which have an automatic *renewal* feature except for:
- (1) private health or medical insurance; and
 - pet insurance.

Purpose

- 6A.6.2 **G** The purpose of this section is to support Treating Customers Fairly outcome 6 – “Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint”, by making it easier for *consumers* who wish to prevent their *policy* from automatically *renewing* to cancel this feature of their *policy*.

Requirement for a range of cancellation methods

- 6A.6.3 **R** A *firm* must provide a *consumer* with easy and accessible methods for cancelling the automatic *renewal* feature in the *consumer’s* contract.
- 6A.6.4 **R**
- (1) The methods provided by a *firm* in accordance with **ICOBS 6A.6.3R** must include at least all the methods by which a *consumer* is able to purchase a new *policy* with the *firm*.
 - (2) A *firm* must consider the needs of its *customers* when determining what cancellation methods it provides.
- 6A.6.5 **G** An easy and accessible method for cancelling an automatic *renewal* feature is a method that does not place any unnecessary barriers on the *consumer* who uses it. Unnecessary barriers may include one or both of the following:
- (1) unreasonably longer call waiting times to cancel the automatic *renewal* feature than to purchase a new *policy*; and/or
 - (2) unnecessary questions or steps before the *consumer* is able to confirm their instructions to cancel the automatic *renewal* feature.

Times a consumer may cancel

6A.6.6

R

A *firm* must allow the consumer to exercise their right to cancel the automatic *renewal* feature:

- (1) at the time the *consumer* purchases the *policy* and at any time during the duration of the *policy*; and
- (2) free of charge.

6A



6A.7 Disclosure requirements for multi-occupancy buildings insurance

Application

6A.7.1 **R** This section applies in relation to a *multi-occupancy building insurance contract*.

Purpose

6A.7.2 **G**

- (1) The purpose of this section is to:
 - (a) improve transparency in the *multi-occupancy building insurance contract* market; and
 - (b) enable *leaseholders* to receive clear and accessible information about the building insurance arrangements in connection with the building in which they are tenants to allow them to better understand:
 - (i) the scope of insurance cover in relation to that building; and
 - (ii) how any tenancy charges relating to the *multi-occupancy building insurance contract* have been incurred.
- (2) The *rules* in **ICOBS 6A.7** require *firms* to produce disclosures to be provided to *leaseholders*. In the *FCA Handbook*, the term *leaseholders* will include any natural *persons* who are *policy stakeholders* or *policyholders*, who are acting outside of their trade or profession and who are liable to pay service charges in relation to tenancies for dwellings (in line with the Landlord and Tenant Act 1985) and, where relevant, a recognised tenants' association.

What information must be disclosed

6A.7.3 **R**

- (1) As soon as reasonably practicable after the conclusion of a *multi-occupancy building insurance contract*, and upon any subsequent renewal, a *firm* must:
 - (a) give the *customer* the information specified in (2); and
 - (b) tell the *customer* to pass a copy of this information on promptly and in full to any *leaseholder* of the building in relation to which the *multi-occupancy building insurance contract* provides cover.
- (2) The information in (1) must include:
 - (a) a summary of the cover (in accordance with **ICOBS 6A.7.5R**);
 - (b) pricing information (in accordance with **ICOBS 6A.7.6R**);

- (c) remuneration information (in accordance with ■ ICOB 6A.7.8R);
 - (d) (for an *insurance intermediary*) placing and shopping around information (in accordance with ■ ICOB 6A.7.11R); and
 - (e) (for an *insurance intermediary*) conflicts of interest information (in accordance with ■ ICOB 6A.7.14R).
- (3) Where the *firm* is in contact with, or has contact details for, a *leaseholder*:
- (a) it may meet the requirements in (1) by instead providing the information directly to the *leaseholder*; and
 - (b) where it has been made aware that the *leaseholder* has not received any information in (2) from the *customer*, it must provide the *leaseholder* with that information.

6A.7.4 G The table in ■ ICOB 6A.7.21R sets out the responsibilities of *insurers* and *insurance intermediaries* in relation to which *firm* will be responsible for producing the information required by this section and which *firm* will be responsible for giving this information to the *customer*, or *leaseholder*, in order to meet ■ ICOB 6A.7.3R(1).

Summary of the cover

6A.7.5 R The summary of the cover under ■ ICOB 6A.7.3R(2)(a) must include, where applicable, the following information:

- (1) name of the *insurance undertaking* and its regulatory status;
- (2) type of insurance;
- (3) main risks insured;
- (4) summary of excluded risks;
- (5) the insured sum, together with:
 - (a) in the case of a flat, the amount for which the building containing it is insured under the *policy* and, if specified in the *policy*, the amount for which the flat is insured under it; and
 - (b) in the case of a dwelling other than a flat, the amount for which the dwelling is insured under the *policy*;
- (6) excesses;
- (7) term or duration of the *policy* including the start and end dates of the contract;
- (8) exclusions where claims cannot be made; and
- (9) significant features and benefits.

Pricing information

6A.7.6 R The pricing information required by ■ ICOB 6A.7.3R(2)(b) must set out the total *premium* for the *policy* and include:

- (1) the amount of insurance premium tax;
- (2) the amount of value added tax; and
- (3) a breakdown of the *premium* at:
 - (a) (in the case of a flat) building level and (if specified in the *policy*) the flat; and
 - (b) (in the case of a dwelling that is not a flat) at dwelling level.

- 6A.7.7 **R**
- (1) For the purposes of ■ ICOB 6A.7.6R(3), where a *firm* is unable to identify the specific amount of *premium* at building or dwelling level, the *firm* may provide an estimate of the breakdown of the *premium* for that building or dwelling.
 - (2) A *firm* relying on (1) must take reasonable care when producing the estimate to ensure the *leaseholder* can rely upon the amount to understand the building or dwelling level *premium*.

Remuneration information

- 6A.7.8 **R**
- The remuneration information required by ■ ICOB 6A.7.3R(2)(c) must include:
- (1) the total *commission* that the *firm* and any *associate* receives; and
 - (2) any remuneration or other financial incentive offered or given by the *firm* to any third party, including the *freeholder* or anyone acting on their behalf, in particular where the *firm* knows, or should be reasonably aware, that the sum will be included in the amount a *leaseholder* would be liable to pay,

in connection with the *multi-occupancy building insurance contract*.

- 6A.7.9 **R**
- The disclosure in ■ ICOB 6A.7.8R must be in cash terms (estimated, if necessary).

- 6A.7.10 **G**
- The disclosure under ■ ICOB 6A.7.8R should include all forms of remuneration or financial incentive, that would or could be received by the *firm*, its *associates* or any third party, in connection with a *multi-occupancy building insurance contract*, whether before or after the conclusion of that *policy*. This would include arrangements for sharing profits or where the remuneration is contingent on future events such as payments that rely on certain targets being met.

Placement and shopping around information

- 6A.7.11 **R**
- The information required by ■ ICOB 6A.7.3R(2)(d) must include:
- (1) the number of alternative *policy* quotes the *firm* obtained from:
 - (a) the *insurance undertaking* with which the *multi-occupancy building insurance contract* was taken out; and
 - (b) any other *insurance undertaking(s)*; and

(2) an explanation of why the particular *multi-occupancy building insurance contract* taken out was consistent with the interests of both the *customer* and the *leaseholder*.

6A.7.12 **R** In relation to the information in **ICOBS 6A.7.11R(1)**, a *firm* must, on request from a *customer* or a *leaseholder*, provide further details about the quotes it obtained.

6A.7.13 **G** The explanation in **ICOBS 6A.7.11R(2)** may be adapted according to whether the *firm* provided a *personal recommendation* in relation to the *policy* or not. It would be expected that where a *personal recommendation* has been provided, the explanation will set out why the particular *policy* was presented as suitable for the *customer*, taking into account its level of cover and cost, and relevant exclusions, excesses, limitations and conditions. Whether or not the *policy* was taken out following the provision of advice to the *customer*, the explanation should provide sufficient detail to enable the *customer* and *leaseholder* to understand why the particular *policy* was proposed.

Conflicts of interest information

6A.7.14 **R** The information required in **ICOBS 6A.7.3R(2)(e)** must include:

- (1) whether the *firm* has a direct or indirect holding representing 10% or more of the voting rights or capital in a given *insurance undertaking*;
- (2) whether a given *insurance undertaking* or its *parent undertaking* has a direct or indirect holding representing 10% or more of the voting rights or capital in the *firm*; and
- (3) whether the *firm* is representing the *customer* or is acting for and on behalf of the *insurer*.

Providing required information under ICOBS 6A.7

6A.7.15 **R**

- (1) The information required by **ICOBS 6A.7.3R** may be provided:
 - (i) in a standalone document; or
 - (ii) in a combination of documents including documents provided to the *customer* for the purposes of other *ICOBS rules*.
- (2) A *firm* must ensure that the information required by **ICOBS 6A.7.3R**, in particular when presented in a combination of documents, is:
 - (a) clear, fair and not misleading;
 - (b) accessible and easy to understand for *leaseholders*; and
 - (c) sufficiently prominent and clearly identifiable as containing key information that the *leaseholder* should read (individually and when the documents are taken together).

6A.7.16 **G** (1) When determining the format in which the *firm* will provide the information for the purposes of **ICOBS 6A.7.15R**, a *firm* should

consider what a *leaseholder* needs in order to understand the relevance of any information provided by the *firm*.

- (2) In order to provide the information required in ■ ICOBS 6A.7.3R, a *firm* may rely, at least in part, on the content in existing documents that are provided to the *customer* to meet disclosure requirements elsewhere in *ICOBS*, for example the *IPID* or *policy summary*, which include that information.

Means of communication

6A.7.17 **R**

- (1) The information in ■ ICOBS 6A.7 must be given on paper or another *durable medium* in accordance with ■ ICOBS 4.1A (Means of communication to customers).
- (2) A *firm* must use reasonable endeavours to ensure any election of the medium in which the information is to be provided is appropriate for the *leaseholders* receiving the information.

6A

Receiving and responding to queries from customers and leaseholders

6A.7.18 **R**

Where a *firm* is contacted by a *customer* or *leaseholder* in relation to the information required to be provided by any of the *rules* in ■ ICOBS 6A.7, it must:

- (1) respond promptly; and
- (2) provide good outcomes-focused support that is appropriate given the nature of the query, including by providing:
 - (a) an appropriate level of information to meet their needs;
 - (b) information that is:
 - (i) clear, fair and not misleading; and
 - (ii) accessible and easy to understand; and
 - (c) the information required under ■ ICOBS 6A.7.3R where this has not been passed on to a *leaseholder*.

6A.7.19 **G**

- (1) When considering the good outcomes in ■ ICOBS 6A.7.18R(2) in relation to a query from a *leaseholder*, a *firm* should consider the purpose of the *policy* and the interests of the *leaseholders*.
- (2) Where the *firm* receiving the query considers that another *firm* is better placed to provide a response (for example, due to that other *firm* having been responsible for producing the information to which the query relates), it should take all reasonable steps to refer the query to that other *firm* and reasonably support the *leaseholder* in obtaining a response.
- (3) Where a *firm* receives a query from a *leaseholder*, it should not create or rely on unreasonable barriers to responding to that query. In particular, where the *leaseholder* asserts that it has not received the information in ■ ICOBS 6A.7.3R, ■ ICOBS 6A.7.3R(3) requires the *firm* to provide this information proactively, and not wait to be asked for it

or refer the *leaseholder* to the *customer*. This includes providing the information to the *leaseholder* regardless of whether a *customer* is purporting to withhold consent to the required information being passed to a *leaseholder*.

Production and provision of information: responsibilities of insurers and insurance intermediaries

6A.7.20 **R** Where a *firm* is responsible for producing information required by the *rules* in ■ ICOB 6A.7 as set out in ■ ICOB 6A.7.21R but is not in contact with the *customer* (or its representative), it must provide that information to the relevant *insurance intermediary* in contact with the *customer*.

6A.7.21 **R** The table in this *rule* sets out the responsibilities of *insurers* and *insurance intermediaries* for producing and providing to a *customer* the information required by this section in order to meet ■ ICOB 6A.7.3R(1).

Requirement	Item of disclosure	Production	Providing to customer
ICOB 6A.7.3R(2)(a)	Summary of the cover	<i>Insurer</i>	<i>Firm</i> in contact with <i>customer</i>
ICOB 6A.7.3R(2)(b)	Pricing information	<i>Insurer</i>	<i>Firm</i> in contact with <i>customer</i>
ICOB 6A.7.3R(2)(c)	Remuneration information	Any <i>insurance intermediary</i> involved with the distribution	<i>Firm</i> in contact with <i>customer</i>
ICOB 6A.7.3R(2)(d)	Placing and shopping around information	<i>Insurance intermediary</i> in contact with the <i>customer</i>	<i>Firm</i> in contact with <i>customer</i>
ICOB 6A.7.3R(2)(e)	Conflicts of interest information	<i>Insurance intermediary</i>	<i>Firm</i> in contact with <i>customer</i>

Responsibilities of insurers and insurance intermediaries in certain situations

6A.7.22 **R** The table in this *rule* modifies the *rule* in ■ ICOB 6A.7.21R on the responsibilities of *insurers* and *insurance intermediaries* for producing and providing to a *customer* the information required by this section.

Situation	Insurance intermediary's responsibility	Insurer's responsibility
(1) <i>Insurance intermediary</i> operates from an establishment in the <i>United Kingdom</i> or <i>Gibraltar</i> <i>Insurer</i> or <i>insurance undertaking</i> does not operate from an establishment in	Production and providing	None

	Situation	Insurance intermediary's responsibility	Insurer's responsibility
(2)	<p>the <i>United Kingdom</i> or <i>Gibraltar</i></p> <p><i>Insurance intermediary</i> does not operate from an establishment in the <i>United Kingdom</i> or <i>Gibraltar</i>; or where the distribution is carried on by a <i>person</i> that is not <i>authorised</i> or an <i>authorised professional firm</i> carrying on <i>non-mainstream regulated activities</i></p> <p><i>Insurer</i> operates from an establishment in the <i>United Kingdom</i> or <i>Gibraltar</i></p>	None	Production and providing
(3)	<p><i>Insurance intermediary</i> does not operate from an establishment in the <i>United Kingdom</i> or <i>Gibraltar</i></p> <p><i>Insurer</i> or <i>insurance undertaking</i> does not operate from an establishment in the <i>United Kingdom</i> or <i>Gibraltar</i></p>	The <i>firm</i> with the contact with the <i>customer</i> has the responsibility for production and/or provision	The <i>firm</i> with the contact with the <i>customer</i> has the responsibility for production and/or provision

