

Insurance: Conduct of Business

Chapter 2

General matters

2.6 Distribution of connected contracts through exempt persons

2.6.1

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(1) Where an *insurance distributor* is distributing through a *person* relying on the connected contracts exemption in article 72B of the *Regulated Activities Order*, the *insurance distributor* must ensure that the requirements in (2) are met.

(1) The requirements referred to in (1) are:

- (a) ■ SYSC 19F.2 (Remuneration and insurance distribution activities);
- (b) ■ ICOBS 2.2.2R and ■ ICOBS 2.2.2AR (Clear, fair and not misleading rule and marketing communications);
- (c) ■ ICOBS 2.5.-1R (Customer’s best interests);
- (d) ■ ICOBS 4.1.2R(1)(a) and (c) (Status disclosure: general information provided by insurance intermediaries or insurers);
- (e) ■ ICOBS 5.2 (Demands and needs);
- (f) ■ ICOBS 6.1.5R(4) (Ensuring customers can make an informed decision: the appropriate information rule);
- (g) ■ ICOBS 6.1.10AR (How must IPID information be provided?) (see also ■ ICOBS 6.1.10BG); and
- (h) ■ ICOBS 6A.3 (Cross-selling).

[Note: article 1(4) of the *IDD*]

2.6.2

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To comply with the relevant chapter of *SYSC* or *Principle 3*, an *insurance distributor* will need to have appropriate arrangements in place to ensure compliance with ■ ICOBS 2.6.1R.