

Chapter 5

Insurance distributors and home finance providers using insurance distribution or home finance mediation services

5.1 Application and purpose

Application

5.1.1 **R** This chapter applies to a *firm* with a *Part 4A permission* to carry on:

- (1) *insurance business*; or
- (1A) *insurance distribution activity*; or
- (2) *home financing*;
- (3) [deleted]

5.1.1A **R** (1) This chapter also applies to a *firm* which is a *P2P platform operator* facilitating a *regulated mortgage contract*, *home purchase plan*, *home reversion plan* or *regulated sale and rent back agreement* where the lender or provider under that contract does not fall within the definition of a *mortgage lender*, *home purchase provider*, *reversion provider* or *regulated sale and rent back firm*.

(2) Where (1) applies, references to a *firm* using the services of another *person* consisting of *insurance distribution*, *insurance distribution activity* or *home finance mediation activity* are to be read as references to the *P2P platform operator* using those services.

Purpose

5.1.2 **G** The purpose of this chapter is to implement article 16 of the *IDD* in relation to *insurance undertakings* and *insurance intermediaries*. The provisions of this chapter have been extended to *home finance providers* in relation to *insurance distribution activity*, and to *insurance undertakings* and *home finance providers* in relation to *home finance mediation activity*, to ensure that *firms* using these services are treated in the same way and to ensure that *clients* have the same protection. To avoid the loss of protection where an intermediary itself uses the services of an *unauthorised person*, this chapter also ensures that each *person* in the chain of those providing services is authorised.

5.1.3 **G** This chapter supports the more general duties in *Principles 2* and *3*, and the relevant *rule* in the Senior Management Arrangements, Systems and Controls sourcebook (see **SYSC 3.1.1 R** and **SYSC 4.1.1 R**).