

Chapter 5

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

5.2 Use of intermediaries

- 5.2.1** **R** A *firm* must not use, or propose to use, the services of another *person* consisting of:
- (1) *insurance distribution*; or
 - (1A) *reinsurance distribution*; or
 - (2) *insurance distribution activity*; or
 - (3) *home finance mediation activity*;
- unless ■ MIPRU 5.2.2 R is satisfied.
[Note: Article 16 of theIDD]
- 5.2.1-A** **R** ■ MIPRU 5.2.1R does not apply to a *firm* carrying on an *insurance distribution activity* if it uses or proposes to use the services of a *person* consisting of *home finance mediation activity*. In that case, ■ MIPRU 5.2.2R does not need to be satisfied.
- 5.2.1A** **G** The *appropriate regulator* regards a *firm* as 'using' the services of, in particular, its immediate counterparty (typically the intermediary that passed the business to the *firm*) and of all other *persons* who have been granted the right or authority directly by the *firm* to effect a *contract of insurance* or enter into a *home finance transaction*.
- 5.2.2** **R** For the purposes of ■ MIPRU 5.2.1 R, the *person*, in relation to the activity must:
- (1) have *permission*; or
 - (2) be an *exempt person*; or
 - (3) be an *exempt professional firm*; or
 - (4) be registered in another *EEA State* for the purposes of theIDD; or
 - (5) in relation to *insurance distribution activity*, not be carrying this activity on in the *EEA*; or

- (6) in relation to *home finance mediation activity*, not be carrying this activity on in the *United Kingdom*.

[Note: article 16 of the *IDD*]

5.2.3

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- (1) A *firm* should:
 - (a) before using the services of the intermediary, check:
 - (i) the *Financial Services Register*; or
 - (ii) in relation to *insurance distribution or reinsurance distribution* carried on by an *EEA firm*, the register of its *Home State regulator*;
for the status of the *person*
; and
 - (b) use the services of that *person* only if the relevant register indicates that the *person* is registered for that purpose.
- (2) (a) Checking the *Financial Services Register* before using the services of the intermediary and using the services of that *person* only if the *Financial Services Register* indicates that the *person* is registered for that purpose may be relied on as tending to establish that:
 - (i) the *person*, in relation to the activity, has *permission*; or
 - (ii) the *person*, in relation to *insurance distribution activity*, is an *exempt person* or an *authorised professional firm*.
- (b) In relation to *insurance distribution or reinsurance distribution* carried on by an *EEA firm*, checking the register of the *firm's Home State regulator* and using the services of the *EEA firm* only if the register indicates that the *firm* is registered for that purpose may be relied on as tending to establish that the *firm* is registered for the purposes of the *IDD*.

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5.2.5

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5.2.6

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The *Financial Services Register* can be accessed through the *FCA* website under the link www.fsa.gov.uk/register/home.do