

Chapter 5

Guidance on insurance distribution activities

5.5 The regulated activities: dealing in contracts as agent

- 5.5.1** G Article 21 of the *Regulated Activities Order* (Dealing in investments as agent) makes dealing in *contracts of insurance* as agent a *regulated activity*. The activity is defined in terms of *buying, selling*, subscribing for or underwriting contracts as agent, that is, on behalf of another. Examples include:
- (1) where an intermediary, by accepting on the *insurance undertaking's* behalf to provide the insurance, commits an *insurance undertaking* to provide insurance for a prospective policyholder; or
 - (2) where the intermediary agrees, on behalf of a prospective *policyholder*, to *buy* an insurance policy.
- 5.5.2** G Intermediaries with delegated authority to bind *insurance undertakings* are likely to be *dealing in investments as agent*. It should be noted, in particular, that this is a *regulated activity*:
- (1) whether or not any advice is given (see ■ PERG 5.8 (The regulated activities: advising on contracts of insurance)); and
 - (2) whether or not the intermediary deals through an *authorised person* (for example, where he instructs another agent who is an *authorised person* to enter into a *contract of insurance* on his *client's* behalf).
- 5.5.3** G There are also certain exclusions which are relevant to whether a *person* is carrying on the activity of *dealing in investments as agent* (see ■ PERG 5.11 (Other aspects of exclusions)).