

**RETAIL DISTRIBUTION REVIEW (HOLLOWAY SICKNESS POLICIES)  
(AMENDMENT) INSTRUMENT 2012**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of:
- (1) the power in section 138 (General rule-making power) of the Financial Services and Markets Act 2000 (“the Act”); and
  - (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 31 December 2012.

**Amendments to the Handbook**

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Conduct of Business sourcebook (COBS) is amended in accordance with Annex B to this instrument.

**Citation**

- F. This instrument may be cited as the Retail Distribution Review (Holloway Sickness Policies) (Amendment) Instrument 2012.

By order of the Board  
13 December 2012

## Annex A

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text.

*Holloway policy special application conditions*

conditions that will be met by a *firm* where:

- (a) in the case of a *firm* which underwrites *Holloway sickness policies*:
  - (i) all of the *Holloway sickness policies* of a particular type underwritten by the *firm* show a projected maturity value of not more than 20% of accumulated *premiums* at the mid-rate projection in the *key features illustrations* prepared for the purposes of *COBS* 13.1.1R(2); except that no more than 5% of the relevant *Holloway sickness policies* underwritten by the *firm* may show a projected maturity value of between 20% and 25% of accumulated *premiums* at the mid-rate projection in the *key features illustrations* prepared for the purposes of *COBS* 13.1.1R(2); ~~and~~
  - (ii) the *firm* conducts a regular assessment to determine whether ~~its~~ the relevant *Holloway sickness policies* meet the conditions in (i) and, if such an assessment indicates that the conditions in (i) may no longer be met, takes any steps necessary to ensure that ~~its~~ the relevant *Holloway sickness policies* will meet the conditions in (i) within three months of the relevant assessment having been carried out; and

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## Annex B

### Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### **6.1B Retail investment product provider and platform service provider requirements relating to adviser charging and remuneration**

Application – Who? What?

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- 6.1B.2A R This section does not apply to a *firm* in circumstances where a *retail client* receives a *personal recommendation* in relation to one of the firm's *Holloway sickness ~~policy~~ policies*, provided that the *Holloway policy special application conditions* are met.