



REGULATORY DEVELOPMENTS

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AGENDA

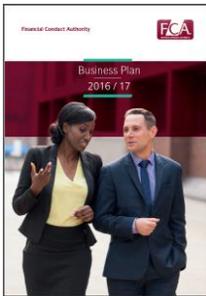
- FCA Current Activity
- European Developments
- Questions





LEARNING OBJECTIVES

- By the end of this session, attendees will be able to:
- Identify some of the latest developments from the FCA
 - Understand the expectations on firms in these areas
 - Identify key EU developments that will affect our industry



- Pensions
- Financial crime and Anti-Money Laundering
- Wholesale financial markets
- Advice
- Innovation and technology
- Firms' culture and governance
- Treatment of existing customers

CURRENT FCA ACTIVITY



Multi-firm supervision work

- Fees and charges
- Complaints
- Brokers' own PII cover

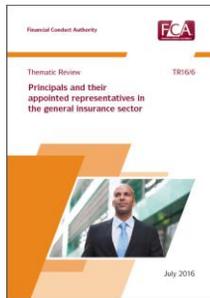


CURRENT FCA ACTIVITY



Appointed Representatives Thematic

- Business models and risk management
- Governance and oversight
- Customer outcome



AR THEMATIC FINDINGS



Example 13

A principal with a network of motor dealer ARs had identified instances of mis-selling within one of these ARs, including an example where customer documentation had been falsified. When this was discovered the principal had not ensured that the employee involved was subject to appropriate disciplinary and remedial measures as the AR objected to this action.

CURRENT FCA ACTIVITY



Add-ons

- Ban on opt out selling
- Timely Information



Showing last year's premium

- Increasing engagement at renewal
- Customer inertia being used against them
- Vulnerable customers – *ABI/BIBA Code of Good Practice*

CODE OF GOOD PRACTICE



Supports vulnerable home and motor customers at renewal

- Ensure staff are adequately trained
- Set out options at renewal
- Not explicitly encourage 'doing nothing'



CURRENT FCA ACTIVITY



- Show last year's premium
 - MTA v no-MTA
 - 10 months policies
- Encourage shopping around
- Fourth renewal message
 - Prescribed wording
 - Can add own text after



THOUGHT PIECES



- Vulnerable customers
 - Mental state + circumstances
- Ageing Population
 - Are we ready?
- Access to Financial Services
 - No passport/driving licence
 - No broadband



OUTSOURCING IT



- Consider:
- Operational risk
 - Due diligence
 - Data protection
 - Cyber risk
 - BCP



BIG DATA



What is the impact:

- On consumer outcomes
- On competition
- From the regulatory framework



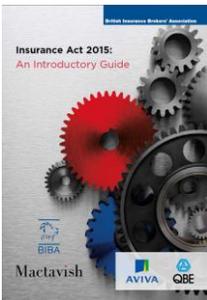
INSURANCE ACT



- Reasonable search/fair presentation
 - No one size fits all
- FCA rules already cater
 - 'Minor' tweaks being suggested
- Review timescales
 - More work = start earlier!



INSURANCE ACT



EUROPEAN ISSUES

BREXIT

	Knowns	Unknowns
Knowns	EU Negotiators: • EC – Barnier • EP – Verhofstadt • CoM – Presidency	• Timing • Duration • New deal
Unknowns	We can't 'have our cake and eat it'	Everything else!

PASSPORTING

	Total	Inbound	Outbound
Number of passports	359,953	23,532	336,421
Number of firms using passporting	13,484	8,008	5,476
IMD passports	8,485	5,727	2,758
S2 passports	943	726	217

EUROPEAN ISSUES



EUROPEAN ISSUES



- Insurance Distribution Directive
 - Signed – 20th Jan
 - Published in the Official Journal – 02 Feb 2016
 - Deadline for implementation – 23 Feb 2018
- General Data Protection Regulation
 - Signed - 27 April 2016
 - Published in the OJ – 04 May 2016
 - Deadline– 25 May 2018



INSURANCE DISTRIBUTION



- Wider scope
- Nature & basis of earnings
- 15hrs training and/or CPD
- FCA undertaking mapping exercise – IDD to Handbook
- Delegated Acts to EC – technical advice from EIOPA
 - POG
 - PID
 - Col & Inducements
 - Assessment of Suitability



INSURANCE PRODUCT INFORMATION DOCUMENT



- Analysis across subgroups
 - age, gender, etc
- Qualitative testing
 - 8 groups, 4 countries
- Quantitative testing
 - online survey



DATA PROTECTION



DATA PROTECTION



More consistent application and effective enforcement

- Individuals and businesses can have their cases dealt with by a data protection authority and a court close to them
- A one-stop shop for individuals and businesses in cross-border cases thanks to the cooperation of national data protection authorities

Fines

up to €20 million

OR

4% of global annual turnover

DATA PROTECTION



Other Considerations

- ‘Safe Harbour II’
 - aka EU-US Privacy Shield



- Passenger Name Record (PNR) scheme
 - “ the first large-scale and indiscriminate collection of personal data in the history of the Union ”

ODR REGULATION



RULE MAKING AND DISCLOSURE





LEARNING OBJECTIVES - RECAP

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Thank you for listening!