



The  
Insurance Brokers'  
Standards Council

A Consultation Paper on the publication  
of a Handbook of Guidance for IBSC  
Members dealing with and advising  
Commercial Clients.

**A Consultation Paper for Members of  
the IBSC Who Are Practising Insurance  
Brokers.**

Approved by

**Paul Anscombe**

Chairman of the IBSC

**Date of Issue: 18th February 2015**  
**Closing Date for Responses by Members:**  
**31st May 2015**



The IBSC

# CONTENTS

	PAGE
1. <a href="#"><u>Introduction</u></a>	p.2
2. <a href="#"><u>Principle 1: Honesty and Integrity</u></a>	p.4
3. <a href="#"><u>Principle 2: Maintaining the Good Repute of the Profession</u></a>	p.5
4. <a href="#"><u>Principle 3: Conflicts of Interest</u></a>	p.6
5. <a href="#"><u>Principle 4: Confidentiality</u></a>	p.7
6. <a href="#"><u>Principle 5: Advertising</u></a>	p.8
7. <a href="#"><u>Principle 6: Competence</u></a>	pp.9-12
8. <a href="#"><u>Principle 7: Client's Interests</u></a>	p.13
9. <a href="#"><u>Principle 8: Giving Information to Clients</u></a>	pp.14-28
10. <a href="#"><u>Principle 9: Gathering Information From Clients</u></a>	pp.29-38
11. <a href="#"><u>Principle 10: Suitability of Advice</u></a>	p.39
12. <a href="#"><u>Principle 11: Skill and Care</u></a>	pp.40-43
13. <a href="#"><u>Principle 12: Professional Discipline and Record Keeping</u></a>	pp.44-46
14. <a href="#"><u>Principle 13: IBSC Guidance</u></a>	p.47
15. <a href="#"><u>Principle 14: Complaints</u></a>	p.48
16. <a href="#"><u>Principle 15: Claims Assistance</u></a>	p.49



The IBSC

# CONSULTATION PAPER CP1050

## (proposed Guidance to Members)

18th February 2015

### Introduction:

This is a consultation paper issued on the subject of giving guidance on what is good and reasonable practice for a member of the IBSC in advising and providing a service to a Commercial Client.

This guidance is drawn primarily from the opinions of Practising Insurance Brokers themselves expressed over many years and enshrined in Expert reports, Case Law, Statute Law, Codes of Conduct and Regulators rules and guidance.

It is also drawn from up to date opinions of IBSC Members responding to papers and questions on all the guidance contained in this draft Handbook.

The proposed guidance is split into 15 sections to match the IBSC Code of Conduct which was published in May 2014.

The IBSC Code has already been referred to in the Courts and the Handbook starts the process of defining on the one hand, good and reasonable standards (the minimum required for IBSC Members) and best practice standards which are those that Members have indicated they seek to achieve beyond the minimum standard expected at law and by the FCA.

Each piece of guidance is therefore marked (G) and (BPG) accordingly.

We would like your feedback on three questions:

1. Do you disagree with any part of the Draft Handbook?
2. Do you have other guidance you would like to be considered for inclusion?
3. Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

(Please go to next page)



Please note that there are intentional gaps under some headings. Here we are starting from a clean sheet in terms of Members' opinions.

In addition to the 'bigger' subjects, what is your view on honesty and integrity, maintaining the good repute of the profession, conflicts of interest, confidentiality, advertising, client's interests and so on? This is an opportunity to define good standards of practice which have not received much attention in the past.

Whether you are an IBSC Member or not, please respond by email ([myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk)) and use one email for each point of guidance or idea. Closing date for feedback is 31st May 2015, and please quote your membership number or your name and email address stating clearly if you are a Practising Insurance Broker if you are not an IBSC Member.

(Please go to next page)



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 1: Honesty and Integrity

IBSC Members should conduct themselves with honesty and integrity. IBSC Members should treat fairly all stakeholders in their professional environment. Above all they should treat clients fairly.

#### Guidelines:

#### Integrity

(G 1.1) Personal integrity is central to your role as the Commercial Client's trusted advisor and must characterise all your professional dealings – with clients, insurers, other insurance brokers and the public.

(30-12-2014)

#### Quotations

(G 1.2) When giving a quotation, you should take reasonable care to ensure that it is accurate and that you have the ability to place the insurance at the quoted terms.

(30-12-2014)

#### Monies Due to a Client

(G 1.3) You should advise a Commercial Client promptly when a return premium or claim payment has been made by an insurer. Where appropriate you should return sums due to a Commercial Client promptly or advise a Commercial Client in writing why any sum has been withheld and the reason for doing so.

(30-12-2014)

### Principle 1

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 2: Maintaining the Good Repute of the Profession

IBSC Members shall not directly or indirectly do anything in the course of practising as insurance brokers which compromises or impairs, or is likely to compromise or impair, the good repute of insurance brokers, the insurance broking profession or the IBSC.

### Principle 2

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers' Standards Council. 5 Loyds Avenue London EC3N 3AE.( [www.theibsc.org.uk](http://www.theibsc.org.uk))



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 3: Conflicts of Interest

IBSC Members should manage conflicts of interest fairly and should not act in a manner which is inconsistent with the Core Duties of Integrity and acting in the best interests of the client.

#### Guidelines:

(G 3.1) Conflict is defined as a conflict between the duties to act in the best interests of two or more different clients, or between your interests and those of a client.

You should seek to avoid conflicts of interest, but where this is unavoidable; you should explain the position fully and ensure that suitable safeguards are in place so as to avoid unfairness and prejudice to any party. Specifically:

- a) You should not put your interests above your duty to act in the best interests of the Commercial Client; but
- b) You should not put your duty to a Commercial Client above the law.

You should recognise that you have responsibilities to parties other than a Commercial Client and should take those into consideration when acting for a Commercial Client.

(30-12-2014)

### Principle 3

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 4: Confidentiality

IBSC Members should treat as confidential any information acquired about or from a client and only disseminate that information to others with the clear instruction of the client. IBSC members should always be mindful of the status of information received from any source.

#### Guidelines:

(G 4.1) You and your Employer's firm should keep the affairs of clients and former clients confidential except where disclosure is required or permitted by law or by your client (or former client).

(30-12-2014)

(G 4.2) If you are given documents by a client for the attention of a third party you should not read or access those documents without the Commercial Client's consent.

(30-12-2014)

(G 4.3) You should take reasonable and appropriate steps to ensure the security of any money, documents, other property or information handled or held on behalf of a Commercial Client.

(30-12-2014)

### Principle 4

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 5: Advertising

IBSC Members should not advertise their products or services in a manner which is misleading.

#### Guidelines:

#### Statutory requirements and voluntary codes

(G 5.1) You should comply with the general law of advertising from time to time in force. You should also have regard to the UK advertising codes. In broad summary, these require that media advertisements be legal, decent, honest and truthful.

(30-12-2014)

### Principle 5

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 6: Competence

IBSC Members should only advise clients on matters in which they are competent and should seek or recommend specialist advice when necessary.

#### Guidelines:

(G 6.1) You should be competent to give the advice and recommendations you offer.

(30-12-2014)

(G 6.2) You should, on reasonable request from an appropriate authority, be able to provide evidence that you have been assessed as competent to do the job that you do. If you give advice, the evidence should show that you are competent to give advice about the products and services you have included in any recommendation. It is unlikely that the Council will regard an examination or qualification, in itself, sufficient evidence of assessment of competence.

(30-12-2014)

(G 6.3) You should take reasonable steps to advise Commercial Clients if any General Insurance Product (as covered by your employer's permissions granted by the FCA) relevant to the Commercial client's instructions, is not included in your advice and recommendations.

(30-12-2014)

(G 6.4) You should undertake a continuing programme of professional development that, as a minimum, has the objective of maintaining competence to do your job.

(30-12-2014)

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers' Standards Council. 5 Lloyds Avenue London EC3N 3AE.( [www.theibsc.org.uk](http://www.theibsc.org.uk))

### Principle 6

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 6: Competence

IBSC Members should only advise clients on matters in which they are competent and should seek or recommend specialist advice when necessary.

#### Guidelines:

(G 6.5) FCA TC2.1.12R states - A firm must review on a regular and frequent basis employees' competence and take appropriate action to ensure that they remain competent for their role.

You should do all that is reasonable to assist your employer in meeting this requirement.

(30-12-2014)

(G 6.6) FCA TC2.1.13G states –

A firm should ensure that maintaining competence for an employee takes into account such matters as:

- (1) technical knowledge and its application;
- (2) skills and expertise; and
- (3) changes in the market and to products, legislation and regulation.

You should do all that is reasonable to assist your employer in meeting this requirement.

(30-12-2014)

### Principle 6

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

(BPG 6.7) The IBSC considers that the most appropriate model for competence for the profession of insurance broking is, “knowledge and understanding of what to do and the application of those two things to achieve set standards”.

This means that what you need to know and to what standard should be defined and your knowledge and understanding of how to apply that should be assessed on a regular basis.

Knowledge and understanding might typically be assessed by questioning, observation and monitoring of work and behaviour.

Examples of how the application of knowledge and understanding might be assessed are:

- 1) Watching someone doing the job
- 2) Observed and well managed “role plays”
- 3) File Checks
- 4) Measurement of complaints
- 5) Competent supervision of the person
- 6) Assessments by verbal or written test

Any assessment of the ability to apply knowledge and understanding should involve measuring your ability to do a specific job to a benchmarked standard.

(30-12-2014)

### Principle 6

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

(BPG 6.8) The IBSC does not intend to suggest “pass marks”. The ultimate objective for a member of a profession is to avoid errors wherever and whenever it is reasonably possible to do so.

The Council believes that the best practice standard of a Practising Insurance Broker is to continue improving with the aim of never getting things wrong. To this end it is a measure of what you do not know and understand or cannot do which is the dominant measure of competence rather than just what you do know and understand or can do.

Whilst the IBSC firmly supports the qualification by examination regime as a measure of achievement and commitment to the profession, the Council is guarded about linking qualification by examination with competence to do the job. That claim is subjective and depends on the knowledge and understanding needed for the actual job matching the content of the material and syllabus of the examination and whether that in turn relates specifically to the actual job in question.

In relation to measuring competence to do a job, the IBSC is also concerned about putting too much emphasis on examinations and assessments of knowledge and understanding which do not tell the individual where they went wrong in their answers and why.

(30-12-2014)

(BPG 6.9) The IBSC takes the view that benchmarks for competence should be decided by employers. They should take into account: the law, the FCA, the body of opinion of peer practitioners and clients when deciding what those benchmarks should be but ultimately it is a matter for the employer. If you feel that you are being asked to work to a standard that is lower than might be expected by others then you should consider raising the matter with your employer.

(30-12-2014)

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers’ Standards Council. 5 Lloyds Avenue London EC3N 3AE.( [www.theibsc.org.uk](http://www.theibsc.org.uk))

### Principle 6

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 7: Client's Interests

IBSC Members should pay due regard to the interests of clients for whom they act and keep those interests above their own. The IBSC believes that observing the FCA Outcomes, established through the concept of Treating Customers Fairly, is essential to achieving this aim.

### Principle 7

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers' Standards Council. 5 Loyds Avenue London EC3N 3AE.( [www.theibsc.org.uk](http://www.theibsc.org.uk))



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 8: Giving Information to Clients

IBSC Members should pay due regard to the information needs of their clients and communicate information to clients in a way which is clear, fair and not misleading.

#### Guidelines:

#### Understanding a Client's knowledge of Insurance:

(G 8.1) You should take reasonable steps to understand the types of Commercial Client you are dealing with and the extent of your Commercial Client's awareness of General Insurance Products. You may take that knowledge into account in your dealings with the Commercial Client but unless you have good reason to think otherwise, you should treat the person dealing with the insurance for your client as an insurance layman.

(30-12-2014)

(G 8.2) **ICOBS 6.1.7G** states that the level of information given in **ICOBS 6.1.5R** will be dependent on certain factors, one of which is "the knowledge, experience and ability of a typical customer for the policy"

(30-12-2014)

(G 8.3) When you undertake face to face meetings with Commercial Clients, you should assess the general state of the insurance knowledge and understanding of the person you are dealing with in relation to the insurance arrangements being recommended and provide advice and guidance in accordance with that assessment. It is important to document that assessment.

(30-12-2014)

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers' Standards Council. 5 Lloyds Avenue London EC3N 3AE.( [www.theibsc.org.uk](http://www.theibsc.org.uk))

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 8: Giving Information to Clients

(G 8.4) Where you give advice without ever having a face to face meeting, unless there is good reason to think otherwise, you should treat the Commercial Client as an insurance layman and give explanations on the basis that they have little or no knowledge of insurance matters.

It is likely that a glossary of relevant insurance terms will be communicated to and readily available to the Commercial Client. That glossary should include and highlight the terms relevant to the actual insurance transaction taking place and should be written in a style that the Commercial Client, as an insurance layman, is likely to understand.

(30-12-2014)

(G 8.5) The IBSC does not regard the fact that the person dealing with insurance matters for the Commercial Client has done so for some time is, on its own, sufficient evidence that the person concerned is other than an insurance layman.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 8: Giving Information to Clients

(BPG 8.6) You may wish to consider the following framework to categorise the level of client knowledge and experience. (The IBSC “CODEC”).

**The Insurance Layman:** The default classification for all Commercial Clients.

**The Experienced Insurance Layman:** A person who deals with the insurance matters on a regular basis and agrees that they do not need all explanations given at inception repeated at renewal.

**The Insurance Sophisticated Person:** this is likely to be a person who is a full or part-time insurance manager and where there is evidence that they have worked in a relevant part of the insurance industry. This classification may also include other insurance professionals who are less experienced in a matter than the person placing the insurance.

**Peer Practitioner:** Another insurance broker working at the same level and in the class of business being advised on and placed.

Remember that you have a duty to regard all people who are responsible for a Commercial Client’s insurance as insurance laymen when you first meet them. You and your firm are responsible for deciding what level of explanation is required for any clients. Remember that the objective is that the actual client can make an informed decision about the advice you are giving them. In particular they should know and understand how a claim might be reduced or rejected and they should know the effect of not complying with any terms or conditions under the policy or any other contracts you advise them to enter into.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 8: Giving Information to Clients

(BPG 8.7) You should consider making a contemporaneous file note of what you believe to be the knowledge and understanding of your Commercial Client of the insurance and services being recommended and you should record what you explained and whether you believe the Commercial Client understood what had been explained. You should sign or initial the note and date it. This helps you and other people looking at your files in the future.

(30-12-2014)

(G 8.8) You should take reasonable steps to provide sufficient information to help Commercial Clients make an informed decision about the General Insurance policies or related services being recommended.

(30-12-2014)

(G.8.9) Information should be provided in a place and in a language that the actual Commercial Client might reasonably be expected to find and understand.

(30-12-2014)

(G.8.10) You should consider how you know when a client is sufficiently informed. One test that has been mooted by experts in the Courts is that they know and understand what they are and are not covered for and in particular, why an insurer might reduce or reject a claim. The test is not absolute in that there will always be circumstances which surprise even the most competent of insurance brokers and you should only be expected to take good and reasonable steps to help the client make an informed decision.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 8: Giving Information to Clients

(BPG 8.11) In the event of a dispute, you may be asked to give an opinion on the standard of knowledge of a Commercial Client at the time of them having to make an informed decision. It is the opinion of the IBSC that it is best practice for you to make a file note of whether, in your opinion, the Commercial Client understood what had been explained. Such an action will also assist others looking at the file in the future.

(30-12-2014)

(G 8.12) You should explain the types of insurance or service which, in your opinion, would suit the Commercial Client's Demands and Needs.

(30-12-2014)

(G.8.13) **ICOBS 5.5.2R states -**

(1) Prior to the conclusion of a contract, a firm must specify, in particular on the basis of information provided by the customer, the demands and the needs of that customer as well as the underlying reasons for any advice given to the customer on that policy.

(2) The details must be modulated according to the complexity of the policy proposed.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 8: Giving Information to Clients

(BPG 8.14) The requirement of the FCA is that an insurance broker considers the Demands and Needs of a Commercial Client. You should take reasonable steps to help the Commercial Client understand what might be the typical insurance needs of a Commercial Client. In the extreme (Best Practice) this might involve giving the client a list of the classes of business covered by General Insurance FCA Permissions. In practice the profession needs to create guidance on what might be typically suitable classes of cover for any particular trade.

If a Commercial Client wishes to restrict the scope of insurance to specific classes then you should make a record of the limitation. You should still give the client a list of the full range of covers available to the typical commercial client.

(30-12-2014)

(BPG 8.15) In the event that there is more than one insurance broking firm acting for the client, you should consider taking steps to define clearly what services are required of you by the Commercial Client. Part of the duty of giving information is to advise the Commercial Client of what you believe you have been instructed to do and where you have been unable to meet those instructions.

(30-12-2014)

(G.8.16) You should advise Commercial Customers of the key features of the insurance and services proposed, including the main cover and benefits and you should identify all Statutory insurance cover included in the advice.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 8: Giving Information to Clients

(G 8.17) You are reminded of the TCF Outcomes of which number 3 states “Clients are provided with clear information and are kept appropriately informed before, during and after the point of sale.”

(30-12-2014)

(G 8.18) You should explain any significant or unusual restrictions, exclusions, conditions or obligations. In particular you should seek to explain onerous conditions (conditions which impose statutory duties or which give an insurer the right to reduce or reject claims or avoid the contract altogether) clearly and in words the Commercial Client can be expected to understand.

(30-12-2014)

(G 8.19) The IBSC considers that the duty to give clients information and explain things is reasonably clear. What is more uncertain for you is what to explain in relation to terms and conditions and responsibilities which if not complied with might lead to a reduction or rejection of a claim or censure by authority which requires the cover to be in place (“Onerous” conditions). That will vary substantially between actual clients, types of policy, classes of business generally and how the advice is given.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 8: Giving Information to Clients

(G 8.19 cont.) The general guidance the IBSC wishes to give is therefore the following:

- The client should know before the policy or service starts what are the conditions and obligations that might fail their demands and needs if not met.
- The client should know and understand the possible effect of a breach.
- The exact wording of conditions and obligations should be conveyed to the client in writing before the policy or service starts
- The client should know and understand where to find the wording of these onerous conditions in the contracts they are recommend to enter into.
- You should explain things in words the actual client is likely to understand.

You should take reasonable steps to help the client satisfy these outcomes which might include giving explanations in words that the Commercial Client can be expected to understand.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 8: Giving Information to Clients

(G 8.20) You should, in the absence of any other agreement, take reasonable steps to show a Commercial Client how to calculate a sum insured. Unless there is an agreement to the contrary, you are not expected to calculate a sum insured for a Commercial Client nor are you expected to give advice on what the level of cover should be.

(30-12-2014)

(G 8.21) You should explain to a Commercial Client in writing where, in your opinion, the advice and recommendations given do not meet the Commercial Client's demands and needs and why they do and why they do not meet them.

(30-12-2014)

(G 8.22) You should give details of any recommended insurer to the Commercial Client.

(30-12-2014)

(G 8.23) In general, when explaining something to a Commercial Client, you are entitled to take into consideration the knowledge and understanding of your Commercial Clients when deciding what to explain to them and how to explain it.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Explaining The Duty of Disclosure

(G 8.24) You should explain to Commercial Clients their legal duty to disclose all circumstances material to the insurers and the consequences of any failure to make such disclosures, both before the insurance commences and prior to renewal.

(30-12-2014)

(G 8.25) You should explain to Commercial Clients that any material changes between submitting information and inception should be disclosed.

(30-12-2014)

(G 8.26) Where there is an “increase of risk” clause or similar under a policy, you should advise Commercial Clients of the continuing contractual duty of disclosure.

(30-12-2014)

(G 8.27) You should make it clear to Commercial Clients that all information or representations given to insurers and in particular on a statement of fact, proposal form, claim form, or any other material document, is the Commercial Client’s own responsibility and you should explain the effect of providing inaccurate information or making inaccurate statements of any kind.

(30-12-2014)

(BPG 8.28) You may give explanations verbally but it is in the Commercial Client’s and your interests that the explanation is confirmed in writing in words that the Commercial Client can reasonably be expected to understand.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Explaining The Duty of Disclosure

(BPG 8.29) Commercial Client's should be asked to check the accuracy of information they have provided.

(30-12-2014)

(G 8.30) If you believe that any disclosure of material facts by your Commercial Clients is not true, fair or complete, you should request your Commercial Clients to make the necessary true, fair or complete disclosure. If this is not forthcoming you should consider whether to continue acting on your Commercial Client's behalf.

(30-12-2014)

(BPG 8.31) It is not clear legally whether an insurance broker has a duty to disclose what he/she believes is a material fact that his Commercial Client does not want the insurer to know. If there is doubt, then legal advice should be sought in any given situation.

(30-12-2014)

(G 8.32) You should explain to the Client the meaning of materiality in its insurance context and the meaning and application of the expression "material fact".

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Explaining The Duty of Disclosure

(BPG 8.33) You might consider that examples of material facts will help a client to understand the concept of materiality. As a minimum, an example might be: “any fact which tends to increase the risk of an insured peril such as fire, theft, water damage, third party injury or property damage etc. Also any fact which tends to lessen the credibility of the insured, its directors, owners and members of their family such as claims or incidents, bankruptcy, bad debt generally, convictions and censure of authority of any kind”. How the guidance is given is a matter for you and your employer and their advisers.

(30-12-2014)

(G 8.34) **ICOBS 5.4.1G states -**

A firm should bear in mind the restriction on rejecting claims (**ICOBS 8.1.1R (3)**). Ways of ensuring a customer knows what he must disclose include:

1. explaining to a commercial customer the duty to disclose all circumstances material to a policy, what needs to be disclosed, and the consequences of any failure to make such a disclosure;
2. ensuring that the commercial customer is asked clear questions about any matter material to the insurance undertaking;
3. explaining to the customer the responsibility of consumers to take reasonable care not to make a misrepresentation and the possible consequences if a consumer is careless in answering the insurer’s questions, or if a consumer recklessly or deliberately makes a misrepresentation; and
4. asking the customer clear and specific questions about the information relevant to the policy being arranged or varied.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Confirming Cover

(G 8.35) You should provide Commercial Clients with prompt written confirmation and details of the insurance which has been put in place on their behalf.

(30-12-2014)

(G 8.36) You should identify the Insurer(s) to the Commercial Client.

(30-12-2014)

(G 8.37) You should ascertain the identity of the insurer(s) who are providing capacity.

(30-12-2014)

(G 8.38) You should forward full policy documentation without avoidable delay where this is not included with the confirmation of cover.

(30-12-2014)

(G 8.39) You should send written details of cover to a client or provide the client with 24 hour access to the wording online.

(30-12-2014)

(G 8.40) You should make reasonable attempts to ensure that any cover details are dated and that where appropriate the correct version reference is present.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Confirming Cover

- (G 8.41) Prior to recommending a policy of insurance, you should inform the client of any relevant exclusivity arrangements and the practical effects of those arrangements (IBSC CP1003).

(30-12-2014)

### Giving Documentation to Commercial Clients

- (G 8.42) You should reply promptly or use your reasonable endeavours to obtain a prompt reply to all correspondence.

(30-12-2014)

- (G 8.43) Where appropriate, you should forward documentation without undue delay.

(30-12-2014)

- (G 8.44) You should not withhold from your Commercial Clients any written evidence or documentation relating to their contracts of insurance without their consent or adequate and justifiable reasons being disclosed in writing and without delay. If you withhold a document from your Commercial Clients for any reason you should provide advice of this to the Commercial Clients in writing at the time that the documents are withheld. If any documentation is withheld you should take reasonable steps ensure that Commercial Clients receive full details of the insurance cover and any documents to which they are entitled to see.

(30-12-2014)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Information about costs and remuneration

(G 8.45) The IBSC regards ICOBS 4.4.1R as the standard you should meet –

1. An insurance intermediary must, on a commercial customer's request, promptly disclose the commission that it and any associate receives in connection with a policy.
2. Disclosure must be in cash terms (estimated, if necessary) and in writing or another durable medium. To the extent this is not possible the firm must give the basis for calculation.

In addition, **ICOBS 4.4.2G states -**

An insurance intermediary should include all forms of remuneration from any arrangements it may have. This includes arrangements for sharing profits, for payments relating to the volume of sales, and for payments from premium finance companies in connection with arranging finance.

For those Insurance Brokers undertaking Consumer Credit activities, **CONC 4.4.2R states –**

1. A firm must disclose to the customer the fee, if any, payable by a customer to the firm for its services.
2. Any fee to be paid by the customer to the firm must be agreed between the customer and the firm, and that agreement must be recorded in writing or other durable medium before a regulated credit agreement is entered into.
3. A firm must disclose to the lender the fee, if any, for its activity payable by the customer for the purpose of enabling the lender to calculate the annual percentage rate of charge for the credit agreement.

A firm must disclose to the customer how and when any fee for its service is payable and in what circumstances a refund may be payable, including how and when a refund is available under section 155 of the CCA.

(30-12-2014)

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers' Standards Council. 5 Lloyds Avenue London EC3N 3AE. (www.theibsc.org.uk)

### Principle 8

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 9: Gathering Information From Clients

IBSC Members should pay due regard to the duty of disclosure as it relates to themselves and their clients, and reasonably seek to gather sufficient information so that a fair representation of the risk can be made to insurers/underwriters. The information gathered should be sufficient for IBSC Members to make recommendations and/or arrange insurance suitable for the client's demands and needs.

#### Guidelines:

#### Understanding a Client's knowledge of Insurance:

(G 9.1) You should take reasonable steps to understand the types of Commercial Client you are dealing with and the extent of their Commercial Client's awareness of General Insurance Products. You may take that knowledge into account in your dealings with the Commercial Client.

(30-12-2014)

(G 9.2) **ICOBS 6.1.7G** states that the level of information given in **ICOBS 6.1.5R** ( see [15]) will be dependent on certain factors , one of which is "the knowledge, experience and ability of a typical customer for the policy".

(30-12-2014)

(G 9.3) When you undertake face to face meetings with clients you should assess the general state of each client's insurance knowledge and understanding in relation to the insurance arrangements being recommended and provide advice and guidance in accordance with that assessment. It is important to document that assessment.

(30-12-2014)

### Principle 9

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 9: Gathering Information From Clients

(G 9.4) **Where you give advice without ever having a face to face meeting,** unless there is good reason to think otherwise, you should treat the Commercial Client as a layman and give explanations on the basis that they have little or no knowledge of insurance matters.

It is likely that a glossary of relevant insurance terms will be communicated to and readily available to the Commercial Client. That glossary should include and highlight the terms relevant to the actual insurance transaction taking place and should be written in a style that the Commercial Client, as a layman, is likely to understand.

(30-12-2014)

(G 9.5) The IBSC does not regard the fact that the person dealing with insurance matters for the Commercial Client has done so for some time is, on its own, sufficient evidence that the person concerned is other than an insurance layman.

(30-12-2014)

### Principle 9

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 9: Gathering Information From Clients

(G 9.6) You may wish to consider the following framework to categorise the state of client knowledge and experience. (The IBSC “CODEC”).

**The Insurance Layman:** The default classification for all Commercial Clients.

**The Experienced Insurance Layman:** A person who deals with the insurance matters on a regular basis and agrees that they do not need all explanations given at inception repeated at renewal.

**The Insurance Sophisticated Person:** this is likely to be a person who is a full or part-time insurance manager **and** where there is evidence that they have worked in a relevant part of the insurance industry. This classification may also include other insurance professionals who are less experienced in a matter than the person placing the insurance.

**Peer Practitioner:** Another insurance broker working at the same level and in the class of business being advised on and placed.

Remember that you have a duty to regard all people who are responsible for a Commercial Client’s insurance as insurance laymen when you first meet them.

(30-12-2014)

(BPG 9.7) You should consider making a contemporaneous file note of what you believe to be the awareness of the Commercial Client of the insurance and services being recommended and you should record what you explained and whether you believe the Commercial Client understood what had been explained. You should sign or initial the note and date it.

(30-12-2014)

### Principle 9

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Gathering Information From a Commercial Client

(G 9.8) You should seek from Commercial Clients such information about their circumstances and objectives as might reasonably be expected to be relevant in enabling you to identify the Commercial Client's Demands and Needs, to make a fair presentation of the risk to insurers and to give advice which is suitable for a Commercial Client's Demands and Needs.

(30-12-2014)

(G 9.9) **ICOBS 4.1.4G** also indicates the insurance broker's responsibility for ensuring the customer has appropriate information about disclosure and also the insurance broker's duty to ask clear and specific questions relating to information about the policy to be arranged.

(30-12-2014)

(BPG 9.10) How you gather information is a matter for you but it should be recorded to a standard that a peer practitioner can carry on advising the Commercial Client in the event that the person who gathered the information in the first place is not available.

(30-12-2014)

(BPG 9.11) When you work for a firm that advises a Commercial Client on different classes of business with separate "broking" files, you should consider having some central source of information relating to each client.

(30-12-2014)

### Principle 9

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Gathering Information From a Commercial Client

(G 9.12) You should take reasonable steps to keep information about a Commercial Client up to date.

(30-12-2014)

(BPG 9.13) Typically, keeping up to date would require at least an annual review of information with the Commercial Client. Information received between formal reviews should be noted and might be transferred to a central point of reference at the time of receipt.

(30-12-2014)

(G 9.14) You may rely on the information provided by a Commercial Client being true (unless there is any reason to suspect otherwise) but you should also use the skill of a reasonably competent insurance broker to go on enquiry to gather information that a reasonably competent broker might be expected to gather.

(30-12-2014)

(BPG 9.15) The IBSC considers that there are four classes of information:

- 1) Fundamental (which would apply to all Commercial Cases)
- 2) Client specific
- 3) Trade specific
- 4) Class of Insurance specific

(30-12-2014)

### Principle 9

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Gathering Information From a Commercial Client

(G 9.16) You should take reasonable steps to know facts of common notoriety or generally known in the insurance market in which you work. This means going beyond what is already established in text books, or fact find forms. It includes up to date lines of questioning that might arise from market statements, legal cases etc.

(30-12-2014)

(BPG 9.17) You might consider that a well-structured CPD programme will include keeping up to date with information that insurers might consider material for any class of business or any particular trade. Well-constructed and relevant assessments, learning and qualifications will reasonably ensure that you know and understand the fundamentals of information to be gathered (which will change). You should not rely on old examinations and qualifications to keep your information gathering skills up to date. The IBSC is of the opinion that CPD will play a big part in your keeping up to date with the sort of information you should be gathering which may not yet be included in fact finds, statements of fact, proposal forms, text books and formal learning material.

(30-12-2014)

### Specialist Insurance Brokers

(G 9.18) If you hold yourself out to be a “specialist” in any class of business or specific trade then it is likely that your duty to prompt the Commercial Client for information will be higher than the non-specialist insurance broker.

(30-12-2014)

### Principle 9

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Specialist Insurance Brokers

(BPG 9.19) Case Law and modern thinking on this subject is developing. Currently it is thought that insurance brokers who hold themselves out as a specialists in either a class of business or in giving advice to a particular trade can be relied on by a customer to advise them about specific risks and material facts pertaining to that trade, that the average non-specialist insurance broker might not be expected to know about.

For example: a specialist in the Waste Recycling trade should perhaps know that prosecutions by the Environment Agency are not uncommon and present the client or prospective client with a specific question. A non-specialist might not be expected to know this information. He/she will be expected to ask the client about convictions and censure and it is likely to be the client's responsibility to identify the trade specific prosecution or conviction to be an answer to the question put.

(30-12-2014)

(BPG 9.20) If you are a specialist in a class of business and that is the only class (or there are limited classes) of insurance upon which you are advising, then you should state clearly to the Commercial Client what those limitations are and that you will only address their demands and needs in relation to that specific or those specific classes of insurance.

(30-12-2014)

### Principle 9

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Specialist Insurance Brokers

#### (G 9.30) **Advised & Non- Advised Sales**

**An advised sale** (you give advice) is where a firm gives advice to a potential customer on the merits of them buying a specific general insurance contract, explaining how this meets their demands and needs and recommending its purchase. This will be specific and individual advice to the customer and should not be generic.

This is also described as “a personal recommendation”.

**A non-advised sale** (you don't give advice) is where a firm provides information only to a potential customer leaving them to make a choice about how they wish to proceed and with no recommendation made. The customer must, however, still receive sufficient information on the product to enable them to make an informed decision as to whether it meets their own demands and needs.

#### **When is ‘advice’ not an ‘advised sale’?**

Giving what may appear to be general policy / insurance advice does not, in itself, constitute an ‘advised sale’.

You might give such “advice” by:

- explaining all the relevant sections of a commercial combined policy and sums insured, limits of indemnity and indemnity periods.
- describing the accidental damage section of a home insurance policy and explaining why the client might consider choosing this option.
- explaining the optional sections of a tenants contents policy e.g. legal expenses, personal accident or mobile phone cover.
- explaining the various sections of a travel insurance policy and limits that might be required for different areas of travel.
- explaining optional breakdown cover, legal expenses or protected bonus on a motor policy
- explaining why somebody may need a certain type of insurance, for example contents or buildings cover.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers' Standards Council. 5 Lloyds Avenue London EC3N 3AE.( [www.theibsc.org.uk](http://www.theibsc.org.uk))

### Principle 9

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Specialist Insurance Brokers

#### (G 9.30) **Advised & Non- Advised Sales cont.**

None of the above actions in its own right is an advised sale. This is just giving factual or general information.

The FCA sum this up in PERG 5.8.8G as, “advice requires an element of opinion on the part of the adviser. In effect, it is a recommendation as to a course of action. Information, on the other hand, involves statements of facts or figures.”

It is still not an advised sale if you provide a range of quotations for the customer but state that no advice has been given as to the suitability of the products and they should choose the policy which best suits their needs.

This applies as long as you have not filtered the results. For example, if using a quote engine and you present all the results to a prospective customer. Otherwise you are giving advice by offering selected information and influencing the customer’s decision. (PERG 5.8.11G(1))

#### **When does your advice turn into an advised sale?**

When you recommend a particular product (a personal recommendation) and explain why it is the most suitable for the customer’s needs.

### Principle 9

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Specialist Insurance Brokers

#### (G 9.30) **Advised & Non- Advised Sales cont.**

Examples might include:

- obtaining four quotations for a commercial combined policy, reviewing these against the requirements of the customer and recommending the most suitable product, be it the most competitive, the most financially stable insurer or the widest wording for that particular type of business.
- advising on the merits of a stand-alone add on and recommending this over a more basic cover provided as an extension to the main commercial policy. A typical example might be recommending a separate Legal Expenses policy rather than one under a Property Owners' policy.
- reviewing a number of travel products to find the most suitable for a business trip which includes some skiing and recommending this over others that excluded skiing or which have lower limits, therefore better meeting the customer's demands and needs.
- Advising a customer to take out XYZ's motor fleet policy, even though you do not specify which version of a number of motor fleet policies from that insurer.

**Also, advice would include recommending that a client does not take up a certain policy.**

For example-

*"I recommend that you do not take ABC insurer's policy."*

### Principle 9

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 10: Suitability of Advice

IBSC Members should take reasonable care to ensure that their advice and discretionary decisions are suitable for the client's demands and needs.

#### Guidelines:

(G 10.1) For the purposes of clarity: the IBSC regards the suitability of recommendations and advice to meet the Client's demands and needs to be the priority, not the number of agencies held or insurers approached in any particular appraisal of the market.

(30-12-2014)

### Principle 10

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 11: Skill and Care

IBSC Members should act at all times with reasonable skill and care in the performance of their duties.

#### Guidelines:

#### Placing of the Insurance

(G 11.1) If you act on behalf of Commercial Clients you should use your skill objectively in the best interests of those Commercial Client's when choosing Insurers.

(30-12-2014)

(G 11.2) You should generally make a fair appraisal of the market when deciding which insurance arrangements would be reasonably suitable to a meet a Commercial Client's Demands and Needs.

If in your professional judgement a Commercial Client's interests are well met by considering just one insurer or one from a panel of insurers, then you should explain this recommendation to the Commercial Client in writing.

Where a fair appraisal does not take place for each Commercial Client, you or your employer should conduct a fair appraisal of the market on a regular basis to support the continuing recommendation of one or a limited number of insurers.

(30-12-2014)

(BPG 11.3) The IBSC is of the opinion that there is no minimum or maximum number of insurers that you or your employer should approach in attempting to make a fair appraisal of the market. It is the Council's opinion that the overriding duty is to recommend insurance that is suitable to meet a client's demands and needs.

(30-12-2014)

### Principle 11

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 11: Skill and Care

#### Guidelines:

#### Placing of the Insurance

(G 11.4) You should confirm instructions to an insurer in writing.  
(30-12-2014)

(BPG 11.5) Where two or more insurance brokers are acting jointly for a Commercial Client when placing insurance, you might consider establishing that you and your Commercial Client is clear about your responsibilities to the Client.  
(30-12-2014)

#### The Servicing of a Client's Account

(G 11.6) You should take reasonable steps to deal promptly with a Commercial Client's questions, correspondence and instructions.  
(30-12-2014)

(G 11.7) You should take reasonable steps to notify changes of cover or claims to insurers or the insurers' formally identified agents as soon as is reasonable.  
(30-12-2014)

(G 11.8) Where amendments to cover are made you should provide your Commercial Clients with full details of those amendments in writing as soon as reasonably possible together with clear details of any additional or return premiums and other charges.  
(30-12-2014)

### Principle 11

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### The Servicing of a Client's Account

(G 11.9) You should notify Commercial Clients of the renewal or expiry of their policy in good time. You should aim to have a pre-renewal discussion with a Commercial Client at least 30 days before renewal date. Ideally, renewal recommendations should be available at least 7 days before renewal date but commercial GI advice can be complex and the IBSC is of the opinion that it is not in a Commercial Client's interests to set hard and fast rules.

(30-12-2014)

(G 11.10) You should remind all Commercial Clients of their duty of disclosure and the effect of a breach at renewal of each policy of insurance you recommend. This may be done verbally but ideally in writing and in words that the client can be expected to understand. The explanation should be prominent (perhaps on the same page or screen that asks for the premium).

(30-12-2014)

(G 11.11) You should take reasonable steps to repeat all explanations to a Commercial Client that you are expected to make at inception of a policy at renewal, except that you may take into account the insurance knowledge and experience of the client when deciding what to explain.

(30-12-2014)

(BPG 11.12) It is the opinion of the IBSC that as a default, all Commercial Clients should be regarded as Insurance Laymen. If there is agreement with the Commercial Client that it is not necessary to explain all significant terms and conditions at renewal, you should still take reasonable steps to help the Commercial Client understand the contracts they are being recommended to enter into, by sending, giving or making readily available a glossary of relevant terms that the Commercial Client might be expected to understand.

(30-12-2014)

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers' Standards Council. 5 Lloyds Avenue London EC3N 3AE. (www.theibsc.org.uk)

### Principle 11

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### The Servicing of a Client's Account

(G 11.13) If the Commercial Client chooses not to continue to instruct you or your employer, you should act in a reasonable and professional manner to assist the Commercial Client to cancel existing arrangements and or transfer insurances to another insurer or another insurance adviser.

(30-12-2014)

### Principle 11

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers' Standards Council. 5 Loyds Avenue London EC3N 3AE.( [www.theibsc.org.uk](http://www.theibsc.org.uk))



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 12: Professional Discipline and Record Keeping

IBSC Members should take reasonable care to organise and control their business and professional affairs responsibly and effectively, and to maintain an appropriate level of documentation.

#### Guidelines:

#### Keeping Records

(G 12.1) You should keep records to a good and reasonable standard.

Records giving advice or relating to advice to a client should be kept in a durable medium for a minimum of 6 years.

(30-12-2014)

(G 12.2) You should keep a record of meetings and conversations that relate to the process of giving advice on a Commercial Client's insurance demands and needs and/or relate to fulfilling legal or contractual obligations to the Commercial Client or any other party to a transaction.

(30-12-2014)

#### Agreeing Services to be Provided

#### Terms of Business

(G 12.3) You should identify yourself and if appropriate the firm you work for and should also confirm that the firm you represent (or their Principal if the firm is an Appointed Representative), is authorised and regulated by the FCA.

(30-12-2014)

### Principle 12

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Agreeing Services to be Provided

#### Terms of Business

(G 12.4) You should confirm in writing to your Commercial Clients what you believe the instruction of your Clients to be.

(30-12-2014)

(G 12.5) You should advise whether your services are provided on an “advised” or “non-advised” basis. In the absence of any written clarification, “advised” may be assumed by the Commercial Client.

(30-12-2014)

(G 12.6) You should reply promptly or use your best endeavours to obtain a prompt reply to all correspondence.

(30-12-2014)

(G 12.7) You should forward documentation that is intended to be distributed to a Commercial Client or third party without avoidable delay.

(30-12-2014)

(G 12.8) You should not withhold from your Commercial Clients any written evidence or documentation relating to their contracts of insurance without their consent or adequate and justifiable reasons being disclosed to them in writing and without delay.

If any documentation is withheld, you should take reasonable steps to ensure that Commercial Clients receive full details of the insurance cover and any documents to which they are legally entitled.

(30-12-2014)

### Principle 12

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Keeping Records to Assist Others

(BPG 12.9) As a professional adviser, you should always consider how the standard of or the retention of documentation might assist a Commercial Client or any stakeholder to a transaction. For example: You should consider keeping records for Employers Liability policies or policies with an Employers Liability component for 40 years.

(30-12-2014)

### Principle 12

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers' Standards Council. 5 Loyds Avenue London EC3N 3AE.( [www.theibsc.org.uk](http://www.theibsc.org.uk))



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 13: IBSC Guidance

IBSC Members should be familiar with, and seek to observe, Rules and Guidance Notes issued or endorsed by the IBSC Council.

### Principle 13

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission, except for permitted fair dealing under the Copyright, Designs and Patents Act 1988, or in accordance with the terms of a licence issued by the Copyright Licensing Agency in respect of photocopying and/or reprographic reproduction. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given. © The IBSC & Others January 2015. The Insurance Brokers' Standards Council. 5 Loyds Avenue London EC3N 3AE.( [www.theibsc.org.uk](http://www.theibsc.org.uk))



## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 14: Complaints

IBSC Members should handle complaints fairly and promptly.

#### Guidelines:

#### Complaints

(G 14.1) You should provide details of your firm's complaints procedures to Commercial Clients, and details, if appropriate, of any dispute resolution facility which is available to them.

(30-12-2014)

(G 14.2) You should deal with complaints fairly and in a manner that would be expected of a member of a profession.

(30-12-2014)

(BPG 14.3) You should consider that a complaint might be a reflection of standards of competence and if the complaint is upheld, you should judge whether an assessment of competence of the individuals concerned is necessary.

(30-12-2014)

### Principle 14

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 15: Claims Assistance

“IBSC Members should give reasonable assistance to their clients in pursuing claims unless there is a prior agreement with the client that such a service will not be provided”.

#### Guidelines:

#### Complaints

(G 15.1) In the event that a Claim is agreed and settlement is made to your employer rather than to the Commercial Client direct, you should take reasonable steps to ensure the Commercial Client is reimbursed any amount due to them without delay or if there is a delay that a written reason for the delay is communicated to the Commercial Client.

(30-12-2014)

(G 15.2) Where your Employer has the appropriate Part4A FCA Permissions and has not “contracted out” of providing a claims service for Commercial Clients:

You should give Commercial Clients guidance on how to pursue a claim under their policy/policies.

(30-12-2014)

(G 15.3) You should not assist a Commercial Client to present a claim unless you are competent to do so. If an individual Practising Insurance Broker or their employer is not competent to advise then they should tell the client in writing that this is the case and how the Commercial Client might obtain advice.

(30-12-2014)

### Principle 15

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

## The IBSC Good & Reasonable Standards Handbook (Commercial Clients)

### Principle 15: Claims Assistance

(G 15.4) You should advise Commercial Clients of the progress of claims.

(30-12-2014)

(G 15.5) If you are handling a claim under a binding authority, you should do so fairly and promptly.

(30-12-2014)

(G 15.6) If you are advised of a loss, you should remind the Commercial Client of the Duty of Disclosure.

(30-12-2014)

### Principle 15

- Do you disagree with any part of the Draft Handbook?
- Do you have other guidance you would like to be considered for inclusion?
- Are there specific examples of bad practice which you think it would be useful for the Council to consider and address?

Please respond to [myopinioncounts@theibsc.org.uk](mailto:myopinioncounts@theibsc.org.uk) quoting the relevant Principle, a note of your thoughts and your name/email address/telephone number/ and IBSC Membership number (if appropriate). The closing date for feedback is the 31st May 2015. Please send a separate email for each separate point you wish to raise.

