**Renewal Letters and New Business Letters Consumers**

Although Cobra Network Compliance do not produce standard letters, below is a list of the information that should be provided to consumers at inception and renewal. .

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| **REGULATORY REQUIREMENTS** |
| **TOBA**  The firm’s TOBA is to be issued at inception and if there has been a change to the TOBA at renewal.  Cobra recommends that a new TOBA is issued at renewal or reference is made to the previously issued TOBA (if there have been no changes) and that it continues to apply. |
| **Privacy Statement**  An up-to-date privacy statement explaining how the firm uses and stores personal data. |
| **How to Complain**  Clear information should be provided on the firm’s complaints procedures, including information about the FOS where appropriate. This information may be included in the firm’s TOBA. |
| **Scope of Service (Breadth of Marketing)**  At inception, and if different at renewal, the client must be advised of the scope of service provided by the firm. To meet regulatory requirements the wordings should be:-   * We have carried out a fair and personal market analysis * We have carried out a limited marketing exercise *(the client should be made aware of the markets the firm may and does do business with).* * We have only approached a Single Insurer. *(this can be quantified as it is possible you have only approached the existing market because of a claim or because you carried out an extensive marketing exercise the year before etc….)*   It is really important that any information that is given to the client on marketing can be backed up from the firm’s records i.e. you have retained copies of the quotes. |
| **Duty to provide Information:-**  Has the consumer been reminded of their duty to provide information in line with the Consumer Insurance Act 2012. This may be in the firm’s TOBA. |
| **Demands and Needs Statement Must be issued.**  Firms can be either recommending a product (advised sale) or providing enough information for the client to make an informed purchasing decision (non-advised sale). Which ever option is being chosen the statement of demands and needs must specify that it is based on information obtained from the client. With an advised sale the recommendation must be tailored to the client’s specific demands and needs, the recommended policy must best meet the clients demands and needs. With a non-advised sale there must still be some matching of the policy to the client’s requirements and the policy must be consistent with the clients demands and needs.  Separate advice is available on statements of demands and needs. |
| **Recommendation**  If your firm is making a personal recommendation (Advised Sale), this must be linked to the client’s demands and needs. If you are not making a recommendation you must provide the client with enough information to make an informed purchasing decision. |
| **Differences / Demands and Needs not met**  If there are any differences between the firm’s recommendation and the client’s demands and needs these must be adequately explained e.g. if they requested a £50 excess but the policy has £100 this must be drawn to their attention. Or it is possible the terms are more favourable than requested.  (If demands and needs are met in full this paragraph may not be required). |
| **Fee**  If it is your intention to charge a fee this must be clearly disclosed within the letter and on the invoice. If the insurer is also charging a fee this must be made clear to the consumer. |
| **Premium**  The premium must be prominently shown or where this is not possible the rate together with any relevant deductions. Having the information on the first page of the correspondence meets the prominent requirement.  The IPT amount should be clearly shown.  The annual premium for any optional additional products must be clearly shown and they must be initially sold on an opt in basis. |
| **Last Years Renewal Premium (Consumers)**  On the first page of the renewal letter the client must be advised of last years premium. Where a consumer’s circumstances have changed during the course of holding their policy, firms must give an annualised premium reflecting any mid-term adjustments, instead of last year’s premium. |
| **Mandatory Wording (Consumers)**  At renewal consumers must be reminded to shop around. At the fourth and subsequent renewals the mandatory wording must be used:-  ***You have been with us for a number of years. You maybe able to get the insurance cover you want at a better price if you shop around.*** |
| **No Claims Bonus Protection**  If a Private Motor Insurance product includes Optional NCB Protection, the consumer should be issued with the NCB Protection Statement and Information Schedule. |
| **Payment Options**  These must be clearly shown. If instalments are being offered the interest rate and APR must be shown together with the cash price for the policy. This information should be provided early in the sales process. Consumers should be reminded that paying by instalments may increase the overall cost of the policy. Premium Finance must be sold on an opt-in basis (as an optional additional product). |
| **Remuneration**  The consumer should be advised of the source and type of remuneration. This information may be included in the firm’s TOBA. |
| **Cancellation Rights**  The cancellation rights must be highlighted to the Consumer prior to the conclusion of the contract. It is sufficient to state where they can be found in the policy wording. |
| **CONTRACT CERTAINTY / POLICY DETAILS** |
| **Insurer**  The client must be told the identity of the insurer underwriting the policy. If another intermediary is involved this information may also be included. |
| **Period of Cover**  If the dates have not been decided this can be shown as 12 months or as appropriate. |
| **Sums Insured**  Information on the sums insured / limits of indemnity must be clearly expressed.  If cover is on a day one basis then the declared value must be shown.  Indemnity Periods are equally important.  Where required, explanations should be included. |
| **Policy Wording (terms and conditions).**  Policy wordings should be provided at inception and clients reminded at renewal that they can request a new policy wording if required.  All conditions or subjectivities of the contract must be clearly expressed and conditions, limitations, exclusions and warranties identified / explained.  Where a wording is dependent on another wording e.g.” as expiring” or “as original” – this should be clearly identified i.e. attached or uniquely described or referenced. |
| **Policy Excess**  This must be clearly shown. |
| **How to make a Claim**  This is why the policy was taken out and the information here is important. |
| **Period Quotation is Valid for**  If this is a renewal quote firms should show this as the renewal date. With new business, quotations are normally valid for 30 days although this should be checked with the insurer. |
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