**REGULATORY POLICIES AND PROCEDURES**

**What policies and procedures should a regulated insurance intermediary have in place?**

The following document has been drawn up based on the compliance requirements placed on a regulated firm by the Financial Conduct Authority. The document does not take into account other requirements that the firm may be required to comply with such as the Data Protection Act and Companies Act.

The list is not exhaustive and as stated by the Financial Conduct Authority, a firm must take reasonable care to establish and maintain such systems and controls as are appropriate to its business. The nature and extent of the systems and controls which a firm will need to maintain will depend upon a variety of factors including: -

1. The nature scale and complexity of its business
2. The diversity of its operations including geographical diversity
3. The volumes and size of its transactions and
4. The degree of risk associated with each one of its operations.

Cobra Network Compliance recommends the following policies, procedures and documents to be in place, but where appropriate these must be supported by training so all those expected to adhere to the policies and procedures understand their implications: -

* Business plan encapsulating the firm’s business strategy and culture (SYSC 3.2.17)
* Organisation chart – evidencing the firms reporting lines
* Senior management and certification regime policy – supported by statements of responsibility and certification of employees on the certification regime
* The code of conduct as applicable to senior managers and certification employees
* The threshold conditions documented – supported by the business plan, risk assessment and competency / fitness and propriety checks
* Outsourcing policy
* Complaints handling procedures
* Summary complaints handling procedures – to be issued on request or when responding to a complaint
* Anti money laundering policy
* Anti bribery and corruption policy
* Fraud prevention policy
* Financial sanctions policy
* Conflicts of interest policy – supported by a gap analysis and conflicts of interest register
* Unfair inducements policy
* Training and competency policy
* Treating customers fairly (this may not be necessary as the TCF principle will no longer apply where the consumer duty principle applies. But there is still a requirement to treat (vulnerable) customers fairly.
* Sales procedures to support ICOBS and contract certainty guidelines. This is a wide area including the sale of add-ons, demands and needs, NCB protection, travel, financial promotions sign off procedures etc.
* Consumer credit (credit broking) procedures
* Affordability policy
* Vulnerable customers policy
* Client money procedures
* Product governance policy
* Fair value policy
* Locum agreement/procedure (where appropriate)
* Prudential requirements – documenting PI and capital solvency requirements
* Claims handling policy
* Data protection policy
* Customer data security policy
* Appointed representatives procedures including ARs, IARs and Introducers
* Breaches policy
* Whistle blowing procedures
* Procedures for notifying the FCA
* Consumer duty policy
* Remuneration policy (SYSC 3.2.18)
* Business continuity plan – is a should rule for Insurance intermediaries (SYSC 3.2.19)

Policies and procedures should be reviewed regularly as appropriate to your firm however, as a minimum they should be reviewed every 12 – 18 months. More frequently if the firm becomes aware that there has been a change to the regulatory requirements.

The policies, procedures and agreements mentioned above are available in template form on the Cobra Connect website or from a member of the Cobra Network Compliance Team.