# Fair Value Impact Assessment – Insurance Distributors Arrangements

Guidance Note: Firm’s need to consider in what format this assessment is completed for each product, group of products to ensure easy analysis of the data received.

This document is part of [name of firm]’s Product Governance Framework and fulfils our regulatory requirement to undertake reviews of our product distribution arrangements at least once every 12 months for the products we distribute. Where we are acting as manufacturer, we will have wider obligations for which this assessment is not appropriate.

We are required to establish whether the relationship between the overall price of the insurance product to the customer and the quality of the product and services provided is fair. This requires us to consider our own actions and those of any other firms in the distribution chain between us and the customer.

When taking into account the following areas of consideration the distribution of this product still provides fair value to the customer as assessed by the manufacturer.

|  |  |
| --- | --- |
| **Product Type**  **[overarching product grouped according to target market / distribution chain etc – brief explanation of grouping]** | e.g. Motor Fleet, High Net Worth Household, Combined Liability, PI |
| **Product Name**  **[If insurer specific]** |  |
| **Insurer(s)**  **[If grouping products list all insurers.]** |  |
| **Distribution Strategy** | Direct to client from [name of firm] (intermediated); through a sub broker, through an Appointed Representative, through a property managing agent, via a website.  Include all those in the distribution chain between the firm as distributor and the customer who is part to the contract of insurance. |

| **Area of consideration** | **Response** | **Comment/rationale** |
| --- | --- | --- |
| We have received and understand the manufacturers fair value assessments/target market statement for this product type.  **[We must have received and understood the assessments from each of the providers listed above]** | Example: We will only offer the product to customers within the parameters defined by the Insurer. |  |
| All relevant employees must receive training to ensure they have the appropriate knowledge and ability to fulfil our distribution activities. | Example: The training provided by the manufacturers sits alongside the training provided by our learning and development platform. | Example: we require all relevant employees to be working towards a CII qualification.  Example: We ensure all relevant employees are given the tools and time to meet the minimum number of CPD hours required.  Example: training is provided using a combination of methods including online learning, distance learning, face to face workshops and mentoring. |
| What is the average fee (mean) we charge for this product (group of products)? |  | The overall remuneration that we receive from the manufacturer for the distribution of the product and the services provided to the customer have been considered when setting the value of the fee.  Guidance Note: refer to the firm’s business plan and FVA for administration fees. |
| Optional additional products are sold alongside this product? [this includes premium finance] | Example: We establish the demands and needs of each customer and provide them with product information/advice/guidance enabling them to make an informed purchasing decision in line with their financial objectives. | Example: we do not offer an optional additional product where the premium for that product is more than XX% of the overall cost to the customer. |