

Chapter 5

Insurance distributors and home finance providers using insurance distribution or home finance mediation services

5.2 Use of intermediaries

- 5.2.1 **R** A firm must not use, or propose to use, the services of another person consisting of:
- (1) insurance distribution; or
 - (1A) reinsurance distribution; or
 - (2) insurance distribution activity; or
 - (3) home finance mediation activity;
- unless ■ MIPRU 5.2.2 R is satisfied.
[Note: Article 16 of theIDD]
- 5.2.1-A **R** ■ MIPRU 5.2.1R does not apply to a firm carrying on an insurance distribution activity if it uses or proposes to use the services of a person consisting of home finance mediation activity. In that case, ■ MIPRU 5.2.2R does not need to be satisfied.
- 5.2.1A **G** The appropriate regulator regards a firm as 'using' the services of, in particular, its immediate counterparty (typically the intermediary that passed the business to the firm) and of all other persons who have been granted the right or authority directly by the firm to effect a contract of insurance or enter into a home finance transaction.
- 5.2.2 **R** For the purposes of ■ MIPRU 5.2.1 R, the person, in relation to the activity must:
- (1) have permission; or
 - (2) be an exempt person; or
 - (3) be an exempt professional firm; or
 - (4) [deleted]
 - (5) in relation to insurance distribution activity, not be carrying this activity on in the UK; or

(6) in relation to *home finance mediation activity*, not be carrying this activity on in the *United Kingdom*.

[Note: article 16 of the *IDD*]

5.2.3

E

(1) A *firm* should:

(a) before using the services of the intermediary, check:

(i) the *Financial Services Register*;

(ii) [deleted]

for the status of the *person*

; and

(b) use the services of that *person* only if the relevant register indicates that the *person* is registered for that purpose.

(2) (a) Checking the *Financial Services Register* before using the services of the intermediary and using the services of that *person* only if the *Financial Services Register* indicates that the *person* is registered for that purpose may be relied on as tending to establish that:

(i) the *person*, in relation to the activity, has *permission*; or

(ii) the *person*, in relation to *insurance distribution activity*, is an *exempt person* or an *authorised professional firm*.

(b) [deleted]

5.2.4

R

[deleted]

5.2.5

R

[deleted]

5.2.6

G

The *Financial Services Register* can be accessed through the *FCA* website under the link www.fsa.gov.uk/register/home.do