

# Sales Process Guidance

## Personal Lines Business

|                      |                         |
|----------------------|-------------------------|
| <b>Date Created:</b> | 19/01/05                |
| <b>Version No:</b>   | Approved<br>Version 1.0 |

## **CHANGE HISTORY FOR THIS DOCUMENT**

| <b>DATE</b> | <b>REASON</b>   |
|-------------|---|
| 10/09/04    | Draft document prepared   |
| 08/10/04    | Amendments made following Software House Providers Forum – 06/10/04.  |
| 20/10/04    | Added Misys comments re MTA's   |
| 26/10/04    | Corrections made to remove Insurer specific references from renewals process.   |
| 29/10/04    | <ul style="list-style-type: none"><li>• Added Guidance references to title and Preamble.</li><li>• Made document apply to Motor and Household (Motor only applied in some cases)</li><li>• Added Alterations to Cert and Schedule being altered to state regulated by FSA (instead of GISC).</li><li>• Added reference to Direct Debit being a separate contract regulated by the FSA in some instances.</li></ul>      |
| 3/11/04     | Added further comments from Misys. <ul style="list-style-type: none"><li>• Added mention of a Policy Booklet/Document being issued to the customer.</li><li>• Last box on Page 7, deleted 'given' after 'information'.</li><li>• Reference is made to DDMs should be included in Online sale.</li><li>• Altered renewals flow to state 'Renewal invite message sent to broker nn days prior to renewal date'.</li></ul> |
| 15/12/04    | <ul style="list-style-type: none"><li>• Changes made for Misys</li></ul>  |
| 06/01/05    | <ul style="list-style-type: none"><li>• Further Changes made for Misys</li></ul>  |
| 19/01/05    | <ul style="list-style-type: none"><li>• Final Changes made for Publication</li></ul>  |

## **INTRODUCTION**

This specification has been created to in an attempt to offer guidance for where and when in the various sales processes alterations are required in order to achieve compliance. This document is only a guide and is not a de facto statement on compliance – and this should be noted.

The document covers both Motor and Household Software House processes.

Please note that Distance Sales by Post and Fax are excluded from the document, and relates to advised sales only.



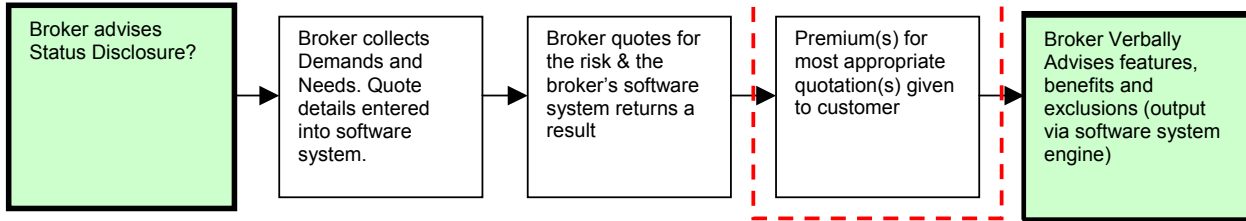
= Change to existing process to comply with ICOB



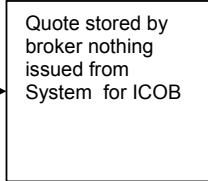
= Existing Process

### 1. FACE-TO-FACE SALE – NEW BUSINESS

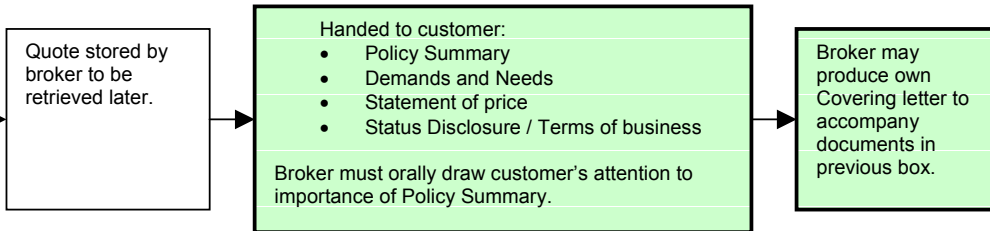
Iterations of quoting can take place here



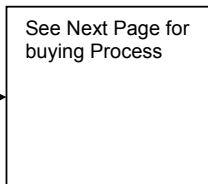
#### Prospect – Not Interested in recommended quotation



#### Prospect – would like to think about recommended quotation



#### Prospect – would like to proceed with recommended quotation



Most appropriate quote selected by broker for customer's demands and needs

Handed to customer:

- Policy Summary
- Demands and Needs
- Statement of price
- Status Disclosure / Terms of business
- Policy Booklet

Broker must orally draw customer's attention to importance of Policy Summary.

Buying process invoked with Documents produced at Point of Sale by Software System.

No Changes required to this document to comply.

**Proposal Form or Statement of Fact Issued**

No Changes required to this document to comply.

**Cover Note Issued (Motor Only)**

Wording changed to comply with ICOB  
CERTIFICATE CHANGE – REGULATED BY FSA

Wording changed to comply with ICOB  
SCHEDULE CHANGE – REGULATED BY FSA

**Certificate (Motor Only) and Schedule Issued**

GISC to be replaced by FSA

DDM can be a separate contract regulated by Consumer Credit Act

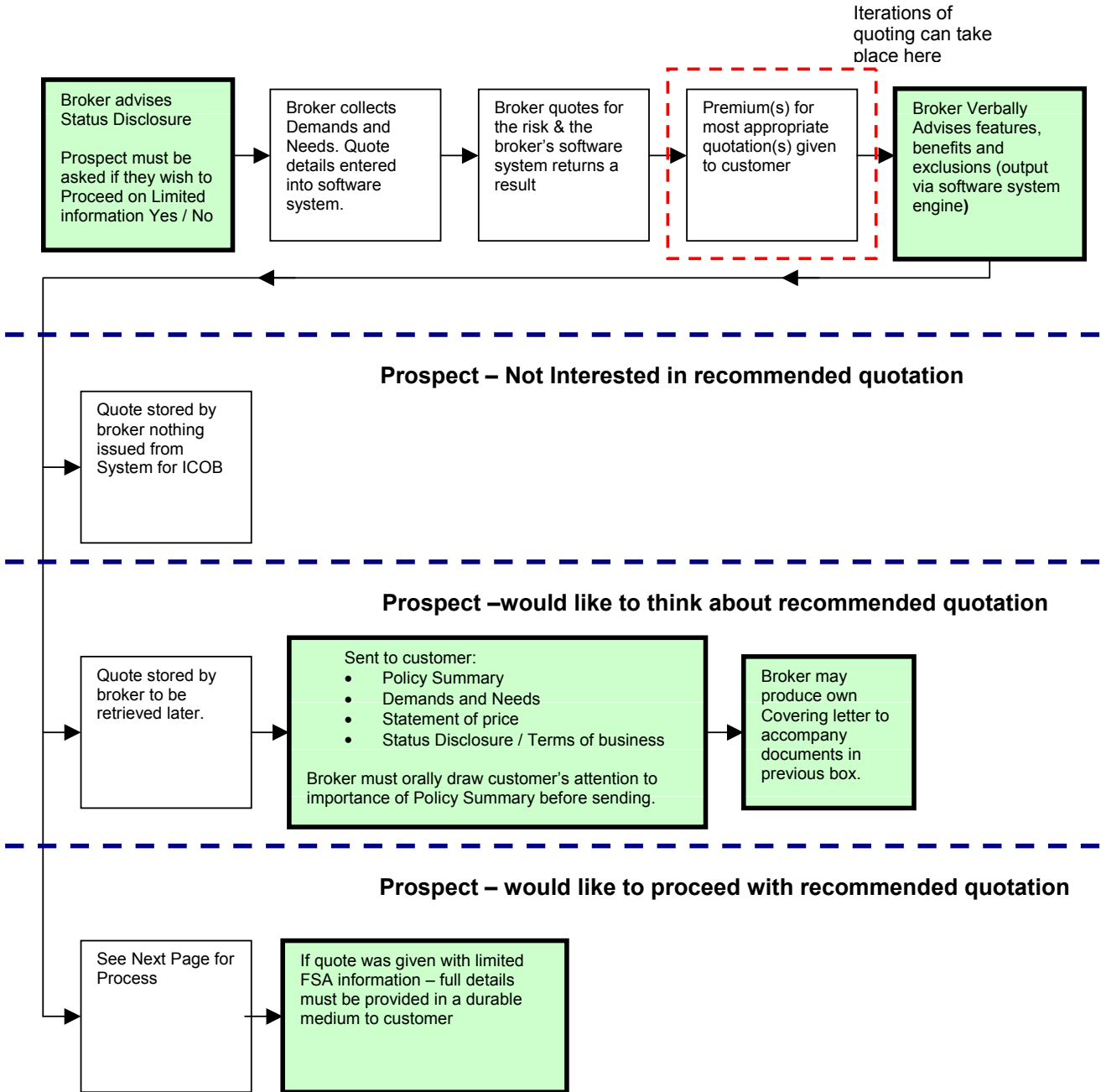
**Direct Debit Mandate Issued**

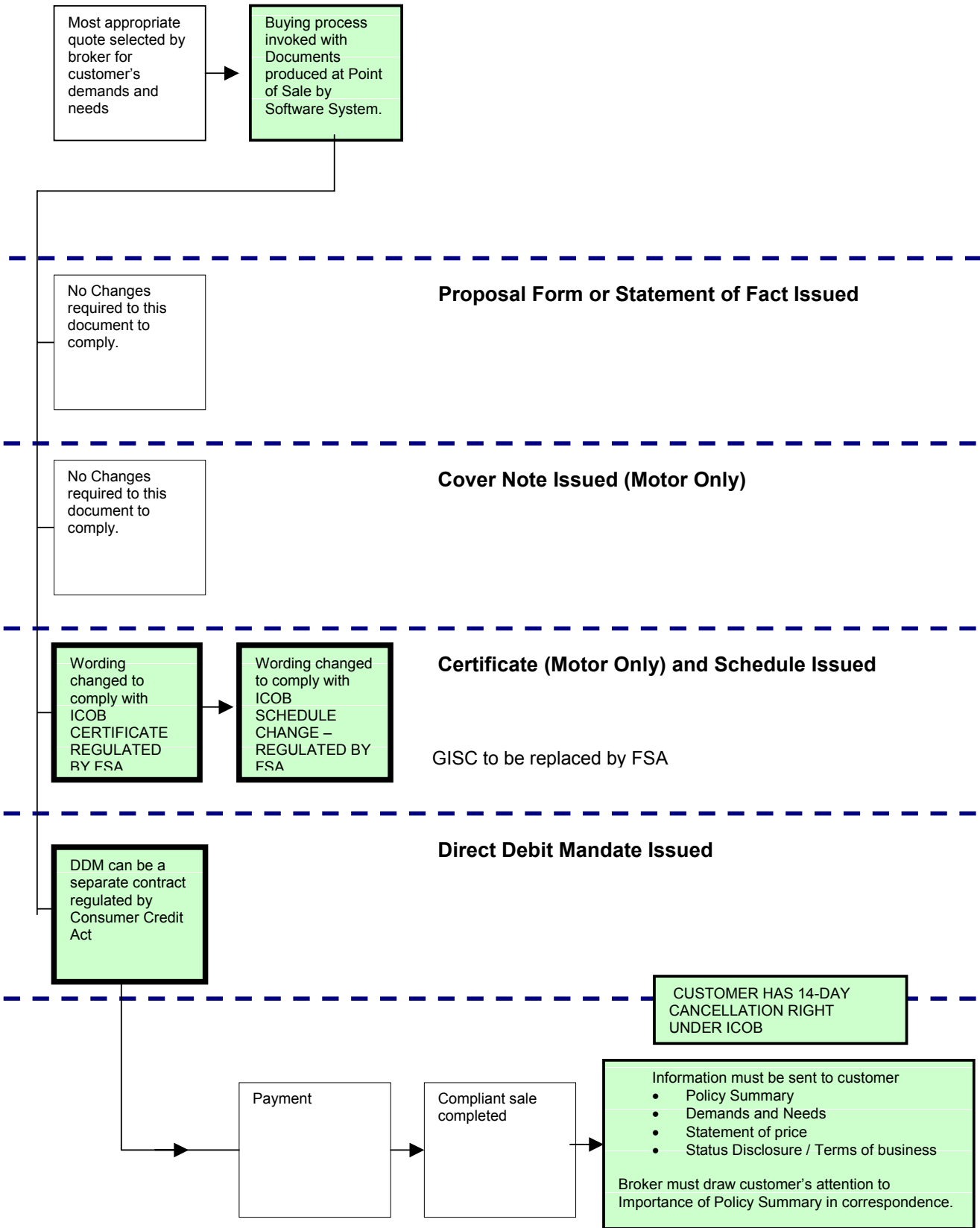
CUSTOMER HAS 14-DAY CANCELLATION RIGHT UNDER ICOB

Payment

Compliant sale completed

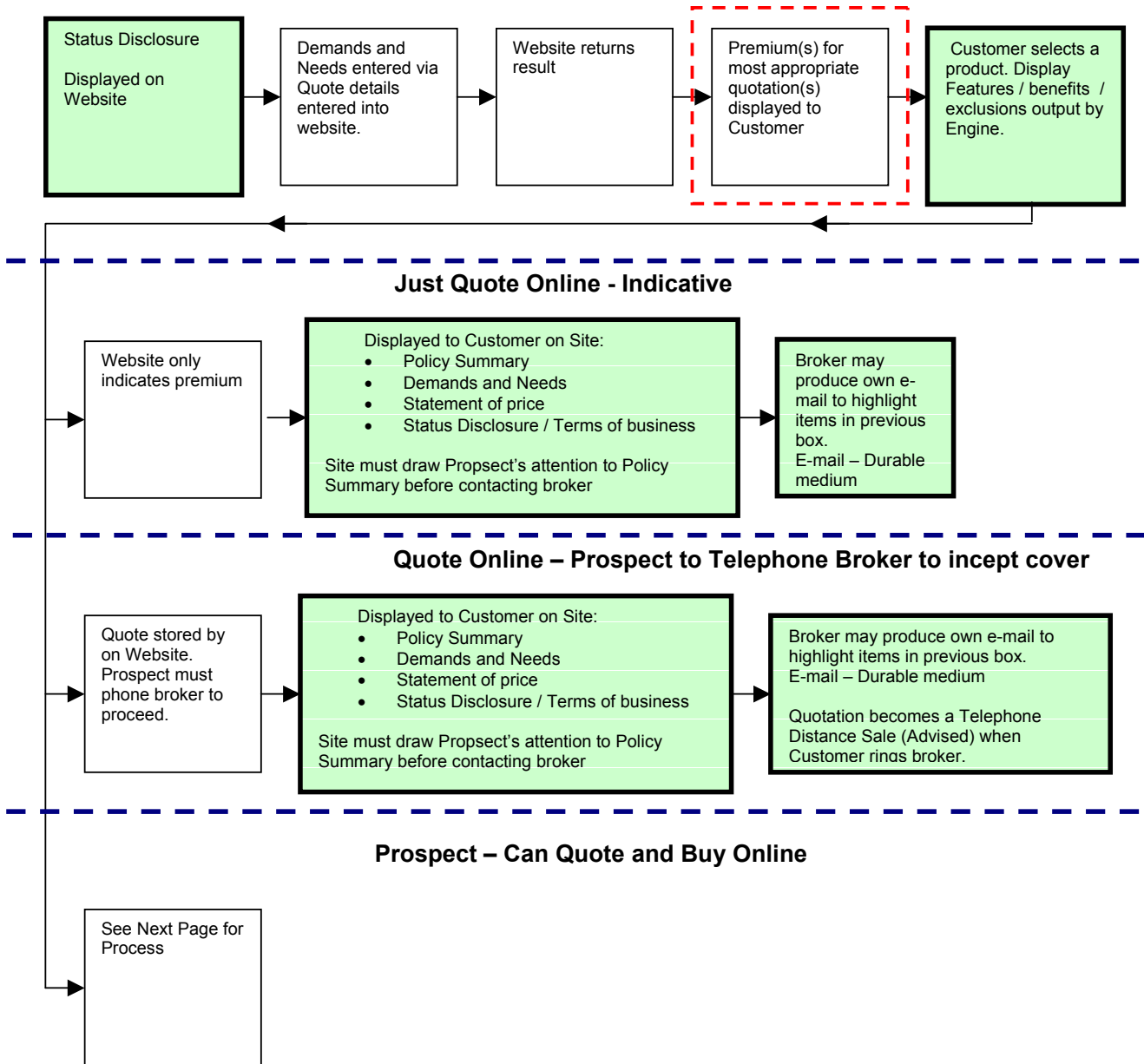
**2. TELEPHONE SALE – NEW BUSINESS (DISTANCE CONTRACT BY PHONE)**

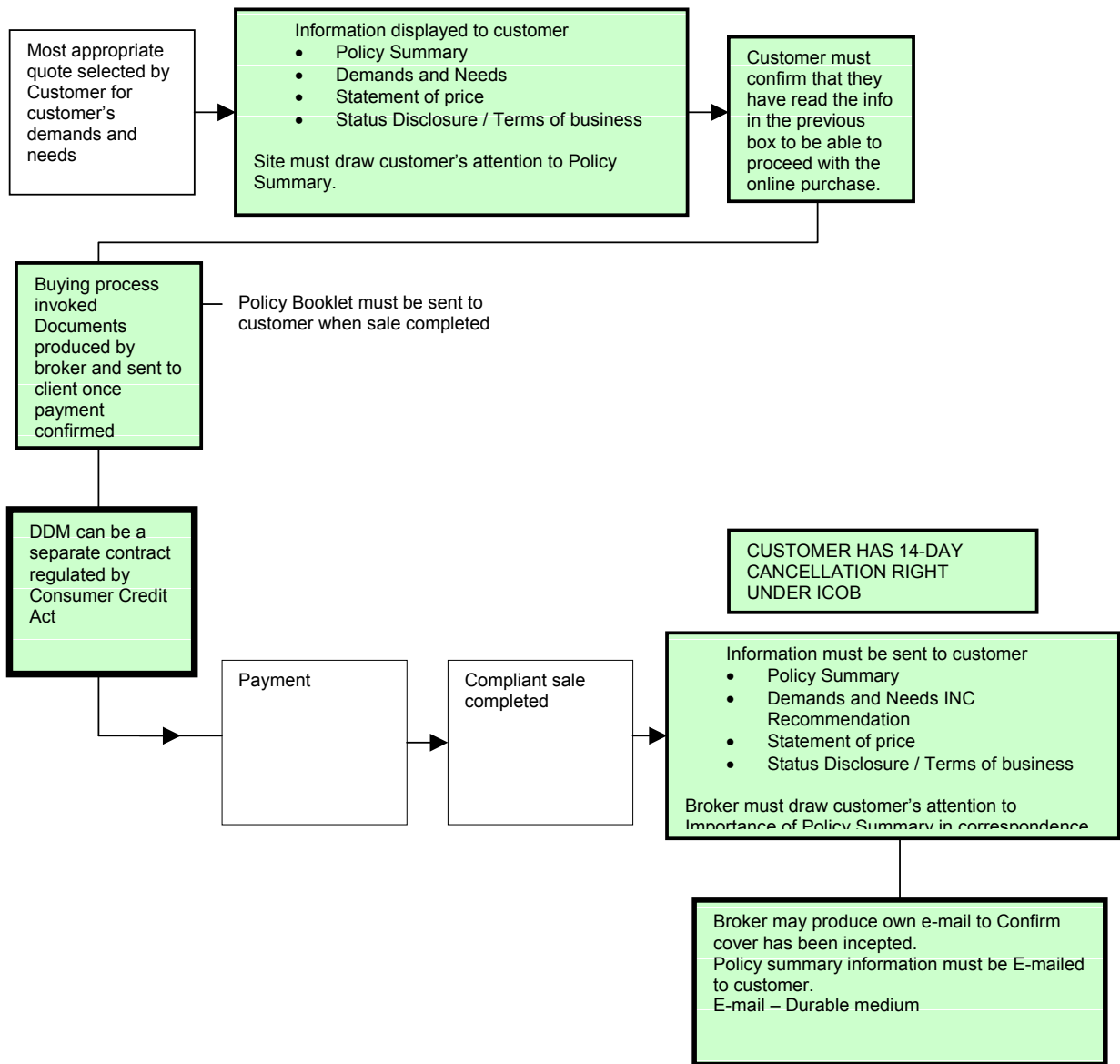




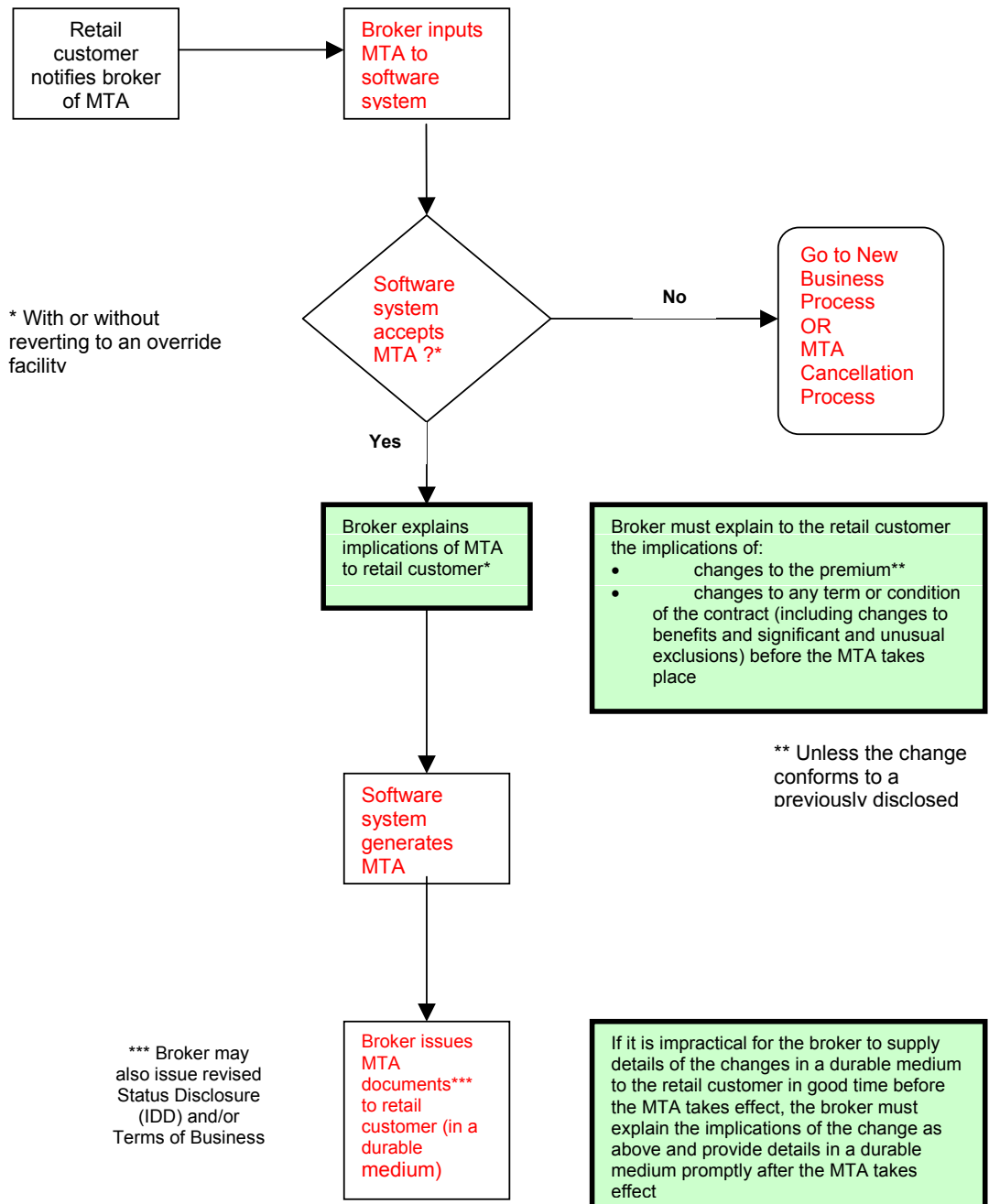
### 3. ONLINE SALE – NEW BUSINESS (ALSO KNOWN AS DISTANCE NON TELE-SALES)

An online quotation is known as a Non-Advised Sale. If the Prospect has to ring a broker to conclude a sale – see Section 2 Telephone Sales. The sale will then become advised.

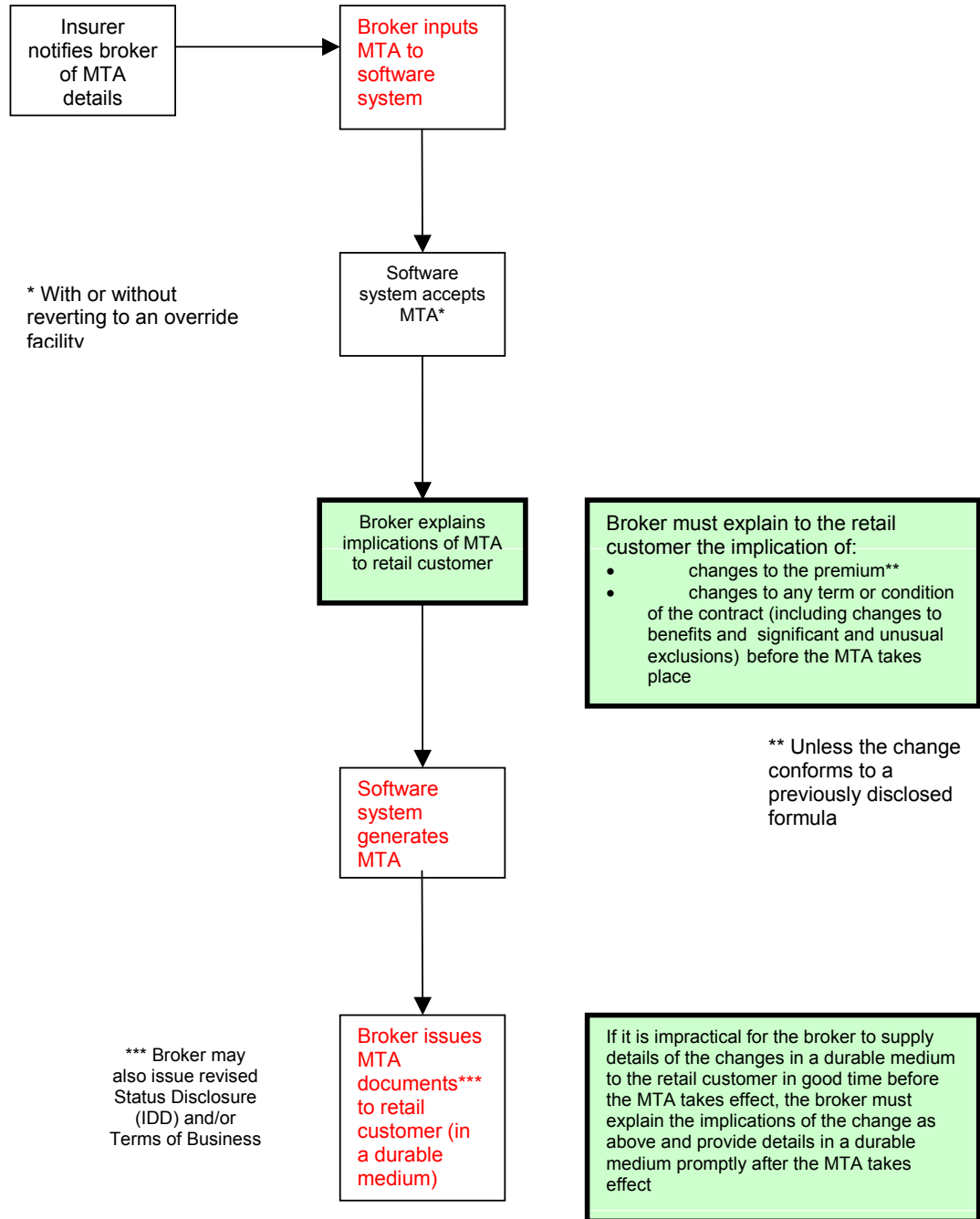




**4. MID TERM ADJUSTMENTS – PERMANENT AND TEMPORARY  
(RETAIL CUSTOMER NOTIFICATION)**



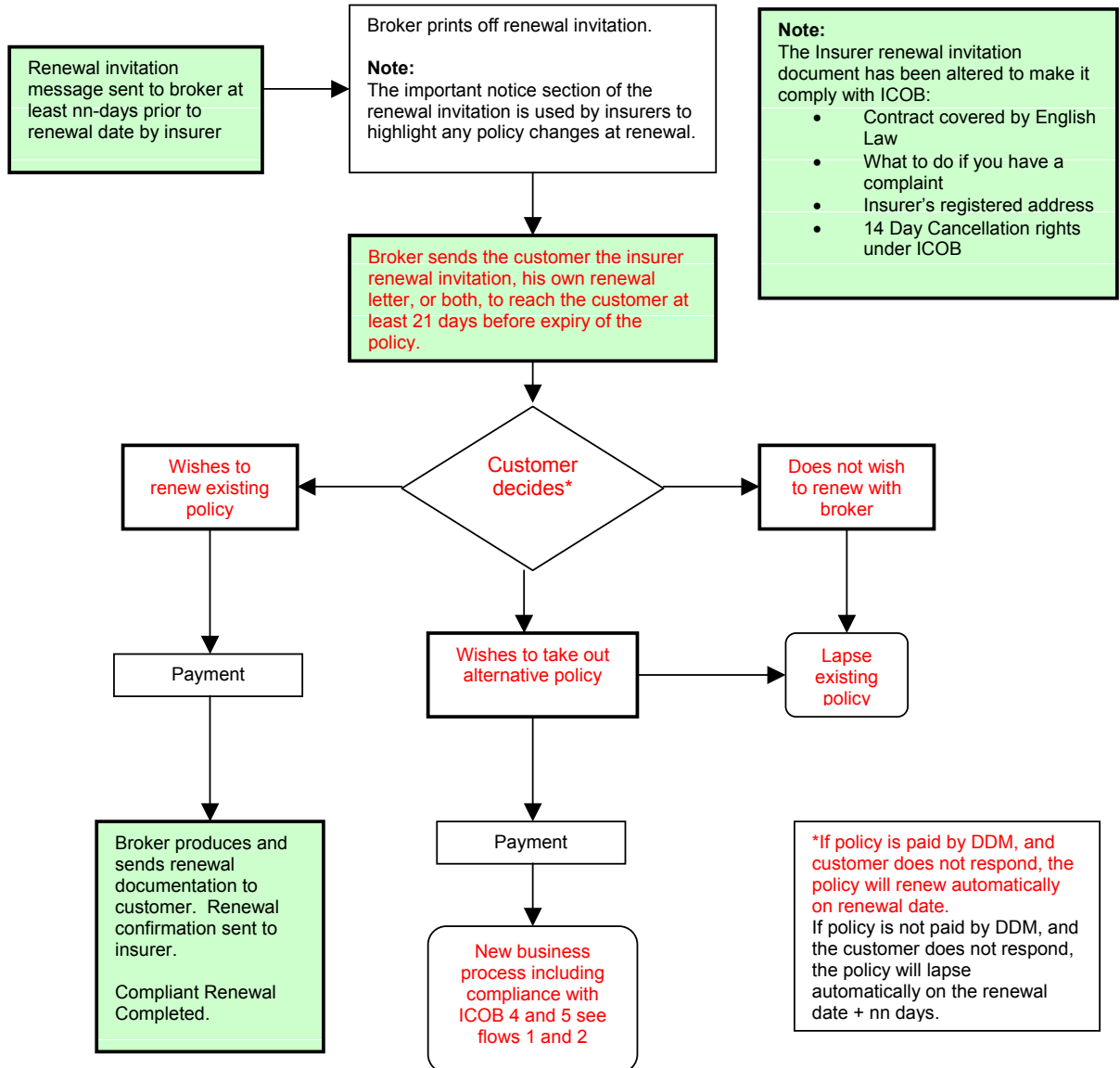
**4a. MID TERM ADJUSTMENTS - (INSURER NOTIFICATION)**



## 5. RENEWALS – INSURER LED RENEWALS (EDI)

**Note:**  
The following information must be sent to the customer at renewal:

- Changes to any terms and conditions of the contract and where necessary an explanation of the changes
- Any changes to the directive required information
- A statement of price
- The broker may also include an alternative policy premium
- Cancellation rights for the insurance contract
- A prominent statement that the customer may request a new policy document
- A demands and needs statement
- Recommendation of existing insurer policy or alternative policy if operating on advised sale basis

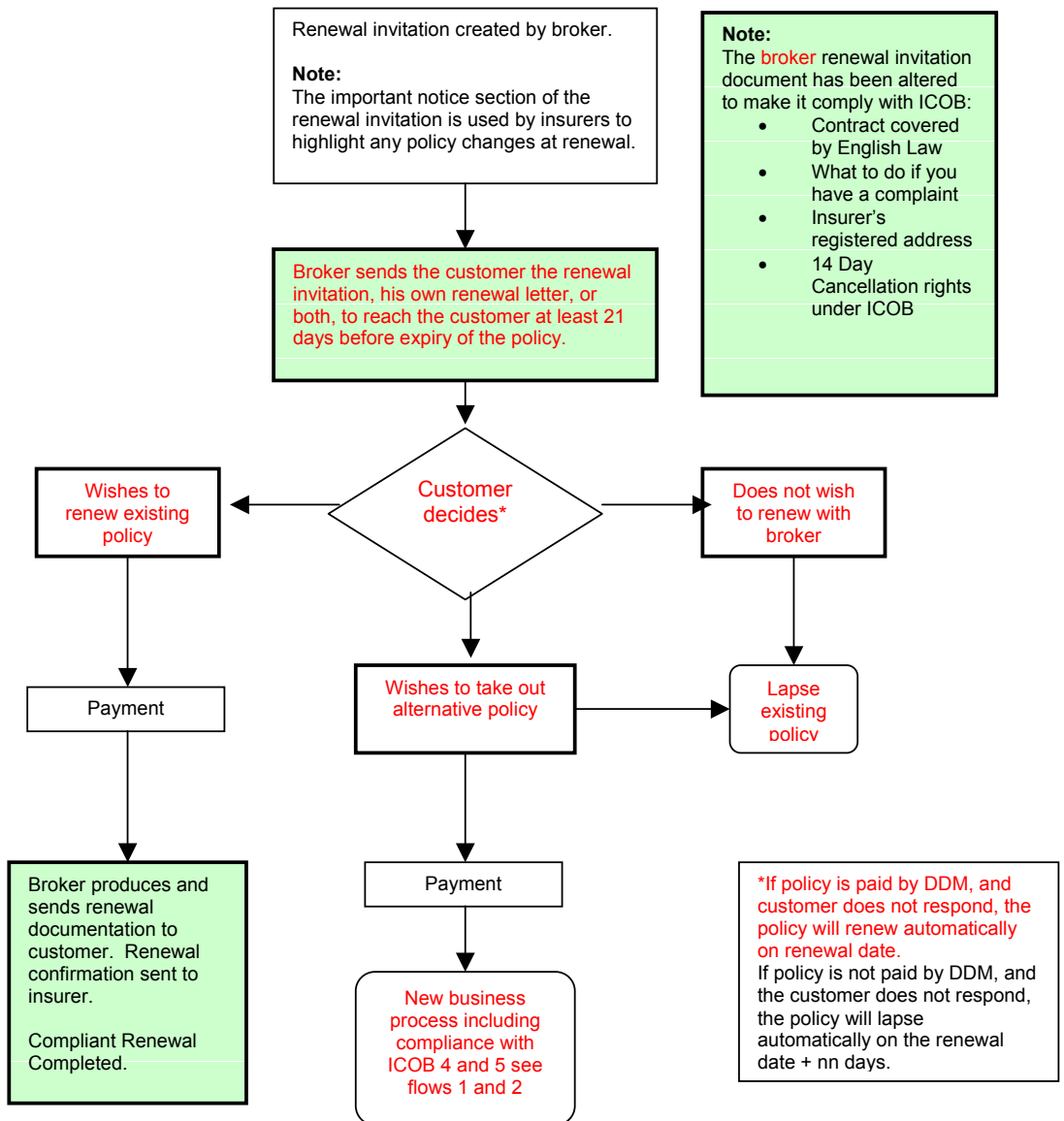


**Note:** Customer has 14-day cancellation rights period in which to cancel policy under ICOB.

## 6. BROKER LED RENEWALS (EDI)

**Note:**  
The following information must be sent to the customer at renewal:

- Changes to any terms and conditions of the contract and where necessary an explanation of the changes
- Any changes to the directive required information
- A statement of price
- The broker may also include an alternative policy premium
- Cancellation rights for the insurance contract
- A prominent statement that the customer may request a new policy document
- A demands and needs statement
- Recommendation of existing insurer policy or alternative policy if operating on advised sale basis



Note: Customer has 14-day cancellation rights period in which to cancel policy under ICOB.

## **7. INSURER LED RENEWALS (MANUAL)**

Details of changes necessary for Manual renewals are not included in this specification.

## **8. PROCEDURES**

A separate specification detailing version control, frequency of changes to ICOB policy summary information / demands and needs is currently under consideration.

**END OF DOCUMENT**