**Secondary Sales V5.0**

***To be completed by the managing agent***

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| **Managing Agent:** |  | **Policyholder type:** |  |
| **Broker:** |  | **Product type:** |  |
| **Coverholder:** |  | **Risk Code:** |  |
| **Coverholder PIN:** |  | **Territory:** |  |
| **UMR:** |  | **Product Risk Rating:** |  |
| **Inception/renewal date:** |  | **Total Acquisition %:** |  |
| **Placement method:** |  | **Proposed Inception Date / Renewal Date:** |  |
| **Has this arrangement been referred to us before?  If so, please provide the date of referral?** |  |  |  |

*Guidance: Please provide sufficient detail when entering product type e.g. homeowners or HNW homeowners not just property, extended warranty for household whiteware not just extended warranty.*

*Policyholder type should be individuals, microenterprises, SMEs, large commercial or insurer or a combination thereof.*

***Product overview***

Please provide an overview of the product, its key features, what non-insurance product it will be sold with, as well as a description of the target market:

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***Sales process***

Please provide an overview of the sales process demonstrating the level of assessment you have undertaken. In providing your response please include the following areas:

* Who conducts the sale with the customer?
* Is there any advised selling?
* Are the product terms made sufficiently clear through the sales process?
* Is it clear that the cover is optional?
* What information is provided to the customer during the sales process and at what points?
* Does the customer opt in to purchase this product?
* Is it clear that insurance can be bought separately?
* What controls are in place to ensure that cover is not provided by other policies e.g. does the sales and/or policy documentation highlight that customers should consider existing insurances (i.e. check they are not already covered)?

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Please explain how you ensure the correct sales process is consistently followed including how you assess and oversee the training provided to sales staff, how you monitor sales processes in practice (e.g. customer feedback, mystery shopping) and how you would identify issues. Where advised sales are taking place please include an explanation of the controls in place to ensure that advice is appropriate and the product is not mis-sold:

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Please outline any sales incentives that are in place and explain how you ensure these do not create a pressurised sales environment or increase the risk of mis-selling:

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***Pricing***

Please provide your analysis of how the pricing supports fair customer outcomes. In providing your response please include the following areas:

* What price comparison has been done of similar products sold as (i) secondary sales and (ii) standalone products?
* How is the price presented to customers e.g. monthly / annual?
* If net pricing is used please explain the steps you have taken to ensure that the final product price for the customer is appropriate and provides value

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***Distribution model and remuneration***

Please provide a description of the distribution chain including the roles and responsibilities of each party, how they are remunerated and your assessment of the appropriateness of the remuneration and any other fees and charges. In providing your response please include the following areas:

* What is the benefit of having each party in the distribution chain?
* Breakdown of remuneration and any other fees or charges (e.g. cancellations, mid-term adjustments) for each party
* How remuneration is commensurate with the services each party provides

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Are there any remuneration arrangements that could conflict with the customer’s best interest? Please provide your analysis and justification for these arrangements:

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***Systems and processes***

Please provide a description of the processes involved in quote and bind and in the production and distribution of policy documentation. In providing your response please include the following areas:

* The systems in place for quote, bind and the production and distribution of policy documentation
* Who owns and has control over those systems? Who can access these systems?
* How policyholder information gets to the broker/managing agent
* How is policy documentation distributed to the customer and by who?
* Whether the distributor/retailer can amend any documentation?

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***Policy documentation***

Please provide details of how you have assessed the pre-contract and policy documentation to ensure it is clear, fair and not misleading. In providing your response please include the following areas:

* Whether the claims and complaints processes are available and sufficiently clear and prominent to the customer?
* Whether it is clear to the customer who the insurance provider is?

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***Claims and complaints***

Please provide an overview of the claims and complaints processes and the managing agent’s oversight of these processes. In providing your response please include the following areas:

* Who manages claims and complaints?
* What instructions has the distributor/retailer been given in the event that a customer contacts them regarding a claim or complaint?
* How has the customer services training material been assessed?

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***Management information***

Please provide an outline of the management information that will be received and how you have gained assurance over its quality and completeness:

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Where available, please provide data for the following metrics and outline how this information supports your overall analysis of product value:

* Loss ratio
* Cancellation rate (policies cancelled as a % policies written)
* Claims denial rate (claims denied as a % claims made)
* Complaint ratio (complaints made as a % policies written)

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| **Completed by:** |  |
| **Date:** |  |

Please submit this form by email to your Customer Oversight Manager with a copy to [fairvalue@lloyds.com](mailto:fairvalue@lloyds.com)

V3.0