ISLE OF MAN
FINANCIAL SERVICES AUTHORITY

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CONSULTATION RESPONSE CR18-02/T08

Summary of Responses to Consultation Paper CP17-07/T08 – General Insurance Intermediaries

Issue Date: 29 March 2018

Summary of responses to CP17-07/T08

1 Background

The Financial Services Authority ('the Authority') issued its consultation paper CP17-07/T08 in July 2017. That paper built on the feedback received in response to the Authority's initial discussion paper on the work stream established to review developments in the supervision of insurance intermediaries ('DP16-07'), and set out proposals for changes to the Authority's regulatory framework for insurance intermediaries, including draft binding guidance and draft Regulations for further consideration.

A number of detailed and informative responses were received from interested parties and this paper provides a summary of those responses, and the Authority's resulting views on matters raised by respondents, including suggested amendments to some of the original proposals.

2 Overview of responses

Responses to CP17-07/T08 were received from 13 parties and further meetings have been held with respondents who requested this. Details of the individual comments received and the Authority's response is given in the table included at Appendix 1.

There were four main themes to the responses received to this consultation paper:

2.1. Exemption for UK Financial Conduct Authority ("FCA") regulated intermediaries

Generally, the proposal that any FCA registered intermediary wishing to take advantage of the exemption will be required to notify the Authority in advance was welcomed. However, there was some feedback that the exemption may lead to regulatory arbitrage if the Isle of Man's regime developed to be at a significantly higher standard than the FCA's. The main areas of concern were in relation to the professional qualification requirements (see 2.2) and the requirement for advice to be provided in all cases (see 2.3).

2.2. Professional knowledge and experience

Within the consultation paper the Authority proposed to introduce a requirement that anyone providing advice on personal lines business should be required to hold at least the Chartered Insurance Institute's Certificate in Insurance ("Cert CII") and anyone providing advice to commercial clients should be required to hold the Diploma in Insurance ("Dip CII") including relevant non-personal lines modules.

The proposals were set out within CP17-07/T08 in order to obtain opinions to inform the Authority's view before reflecting any requirements in the draft Corporate Governance Code for Insurance Intermediaries ("CGC") to be consulted on later in 2018.

Although the proposals had some support within the industry, it lead to major concerns being raised by the majority of respondents. This has led to the Authority giving further consideration to its stance on professional qualifications.

The Authority continues to believe that it is important that individuals working as insurance intermediaries have adequate professional knowledge to carry out their responsibilities. It is recognised that professional knowledge can be gained from experience, education and training. However, it is important that firms are able to demonstrate that professional knowledge and competence has been achieved. The Authority's view is that an effective way to demonstrate this is for it to be supported by the attainment of relevant professional qualifications. Additionally, formal competency requirements for intermediaries are a potential way of raising the standard and perception of professionalism within the industry and to mitigate a key risk of poor or unsuitable advice being given to policyholders. However, following the consultation exercise it has been become apparent that a mandatory requirement would be practically very difficult to implement due to the relatively small market size and employee pool on the Island and, as the Island's nearest jurisdictions have not yet implemented minimum formal qualifications for this industry, introducing such a requirement on the Isle of Man could cause disparity and potentially lead to regulatory arbitrage.

Taking account of the feedback, the Authority is considering revising this proposal so that the detailed qualification requirements are contained within guidance, which would allow intermediaries to adopt a proportionate approach for their business.

This would be implemented through the CGC to be introduced for insurance intermediaries which, as noted above, will be subject to consultation during 2018. The CGC would contain high level requirements on the Board of an intermediary to:

- ensure that there is sufficient staff, at all levels, with adequate qualifications and experience for the business;
- take responsibility for ensuring that its client facing staff are competent on an on-going basis and trained adequately and appropriately;
- document the basis upon which competency has been assessed (for example, using a training needs analysis); and
- ensure that its client facing staff undertake a minimum number of hours of relevant CPD per annum.

Additionally, the Authority is planning to make changes to fitness and propriety assessments for all regulated entities during 2018. This will take the form of revised Fitness and Propriety Guidance ("F&P Guidance") and a Training and Competency Framework ("T&C Framework")

for all regulated entities which is contained within the consultation paper CP18-01/T12, issued in March 2018.

The T&C Framework will provide information on the Authority's expectations of the competence (including levels of experience and, in certain cases, qualifications) of individuals in various roles.

It sets out various roles and provides an indication of the level of experience or qualifications that an individual ought to hold. These are categorised as Guidance, Expectations and Requirements. In determining whether to appoint an individual to one of these roles a regulated entity is expected to consider the contents of the T&C Framework, and the declaration within the notification form provided to the Authority will include a statement that the individual meets any requirements set out within it. It is proposed that the T&C Framework will include, as guidance, that the client facing staff of an insurance intermediary should undertake the following insurance specific qualifications, as part of a development programme:

Front facing staff for personal lines	Cert CII
More experienced staff and front facing staff for commercial business	Dip CII
Management/person responsible for overseeing advice given	ACII

However, if an intermediary firm can satisfy itself that its front facing staff meet the competencies of the T&C Framework for its business in an alternative manner, for example though experience, the intermediary firm's training process or, for staff learning the role, through allocating responsibility on a staged basis and with appropriate induction and mentoring it will be able to explain its alternative view to the Authority.

2.3. Suitability and advice

It has become apparent through the consultation process that there is wide variation in the business models within the sector, and that a number of intermediaries are offering a de facto limited / no-advice intermediation service. There was a request for the Authority to consider allowing non-advised intermediation within its framework.

It is recognised that many personal lines may be relatively low involvement, transactional and price driven and therefore the concept of an intermediary not providing a more holistic advice service in these circumstances appears to be reasonable; for example offering a web based quote and buy service or a telephone call centre where sales staff are using scripts.

Due to the risk profile of the sector, and in line with the position in the UK, the Authority intends to retain the mandatory requirement to ensure that the policy proposed is "suitable" to the needs and resources of the prospective policyholder. However, guidance

will be issued on how this could be interpreted in a more proportionate manner for differing types of insurance products offered by the sector, which will allow intermediaries to offer advice on a proportionate basis underpinned by an investigation of the customer's circumstances, to ensure that any product sold can be demonstrated to be suitable for the policyholder's needs.

It is acknowledged that this is a change of stance for the Authority and as noted we therefore plan to clarify our expectations of the suitability requirement in guidance.

2.4. Information to be provided to customers

There were some concerns within the feedback that the proposed timing of the requirements for supplying information to customers would not be practical or workable, as required under paragraph 9 of the draft Conduct of Business Code.

There was some concern expressed by respondents that the information needed to be provided to fulfil this requirement was overly prescriptive.

The Authority believes that key product information should be made available to prospective policyholders in order for them to be aware of what they are buying. The draft Conduct of Business Code allows for such information to be provided "immediately after conclusion of the contract" for telephones sales where it would not be feasible for the information to be provided pre-sale.

Given the feedback the Authority is engaging with FPIBA to review the detail of the requirements of this paragraph to identify where any changes may be made, whilst retaining the desired outcome that consumers receive appropriate information at point of sale.

3 Next Steps

As noted within CP17-07/T08, the Authority considers it appropriate to split the Insurance Intermediation review into 3 sections to be progressed separately:

1. Enhancement of the general business and conduct of business requirements for registered insurance intermediaries;
2. Introduction of corporate governance requirements for registered insurance intermediaries; and
3. Consideration of the exemptions and allowances for cross border services for intermediaries that are not currently registered.

CP17-07/T08 focused on the first of these work streams. In light of the responses received updated versions of the draft Regulations and draft Conduct of Business Code will need to be prepared and consulted upon in due course. It is likely that this will be in the early part of

2019, to take into account the feedback received in relation to the other sections of the workstream mentioned above.

Meanwhile, the Authority has issued a survey for businesses selling insurance alongside other goods and services. The Authority has designed this survey to gather more information from businesses currently taking advantage of the ancillary business exemption. The results of the survey will assist the Authority in its determination of whether the current exemption remains appropriate for this type of business, before producing firm proposals for consultation. The feedback received to DP16-07 will be considered alongside the results of the survey and the Authority will publish its proposed policy for consultation shortly.

Additionally, the Authority is continuing to consider developing a CGC for intermediaries. It is planned that the CGC for intermediaries will be consulted upon during Q3 2018.

Appendix 1 – Summary of results

Topic	Comment	FSA's response
General		
	We believe that some of the proposals in the Consultation document are certainly not in line with requirements and developments in other jurisdictions, which will inevitably lead to a reduction in the number of registered intermediaries, direct loss of jobs, restriction of choice for consumers and a reduction in competition, all of which seem at odds with the Authorities opening statement. The document refers on a number of occasions to the requirements in other jurisdictions. Can you advise if a Gap Analysis has been undertaken to benchmark these proposed new standards against the requirements of the regulators in the UK, Jersey & Guernsey?	The Authority has given consideration to the requirements and developments in other neighbouring jurisdictions whilst developing its proposals (UK, Jersey, Guernsey, Ireland and the EU); however, it has not sought to replicate any of these regimes directly in the Isle of Man because of the unique position. A high level gap analysis of the proposals was carried out.
	The Regulations seem to have been designed with personal lines in mind (for example section 6 of the code calling at unsocial hours). They need to also take into account larger corporate business or the low volumes such as ours that some general insurance intermediaries carry out. The ICP 18 note makes reference to proportionality. Looking at the draft Code and Regulations, I am not sure how much further the Code and Regulations could be developed and am not certain that they are proportionate to all the general insurance intermediary business being conducted on the Isle of Man. The Code and Regulations may do well to have an element of discretion by the Directors of the companies and/ or some Regulatory discretion. For example where experience is deemed adequate, rather than just a diploma.	It is agreed that the draft Code was written with the needs of personal lines consumers and smaller local corporate businesses in mind. After considering the responses, the Authority believes that it would be appropriate to extend the exemption from the requirements of the draft Code to introducing brokers that work on a business to business basis via agreements with regulated brokers. The rationale for this is that the placing broker will be regulated (with the accompanying requirements upon them) and their clients, which are typically large corporates, would not require the same level of policyholder protection.
	From canvassing our members who operate in this segment, we are **very concerned** about the likely impact on IoM employment should the proposals progress as planned. Whilst we are not opposed in general to regulation we would always seek that it is proportionate to the risks they are trying to mitigate, and that they do not create disparity between the requirements for on Island business against off Island competitors. We see 2 keys issues:- 1. The costs of regulation will need to be factored into business models, and therefore either reduce profitability or drive up insurance	Your comments are noted and the specific points raised are addressed below.

	premiums. We see this as making out Isle of Man business uncompetitive with off Island competition. 2. This in turn will likely lead to existing companies either downsizing, or potentially moving off Island, but continuing to service the IoM remotely. Feedback from our members is that we will likely see significant job losses, should the plans progress, with one company alone advising that over 50 positions would be removed or not created.	
	Any requirements should be in line with UK and other jurisdictions requirements so as once again not to put the local market at a disadvantage to off island competitors. It is our belief that regulatory requirements should be no greater than those imposed in neighbouring jurisdictions.	Although the Authority always considers requirements in neighbouring jurisdictions, the underlying principle of this review is to ensure that our legislation is appropriate for the IOM market and in compliance with the ICPs.
	As a result of the welcomed moves currently being made by the Authority in reviewing & improving the legislation I would hope that a robust and dynamic package will be put in place not only to benefit the industry in general, but all the end-users in particular.	Agreed, the revised framework must provide for an appropriate level of customer protection in line with the Authority's objectives.
Question 1	Reinsurance brokers	
	This looks reasonable. The buyers of the service (ie ceding companies) are usually "experienced clients". In my experience a reinsurance broker will use a London or other International broker to place the business. As the wholesale International Market is constantly changing, this is important. Excluding these companies from the provisions of the Draft Code is appropriate. I would also argue that a General Insurance Intermediary, whose clients are large corporates that is acting as an **Introducing Broker** to a London/ International Broker is working in a very similar way should enjoy a similar exemption. The rationale of this is that the placing broker in London will be FCA regulated will in turn adopt the very high standards required of them and the clients, which are large corporates can also be deemed "experienced clients".	The Authority believes that it would be appropriate to extend the exemption from the requirements of the draft Code to introducing brokers that work on a business to business basis via agreements with regulated brokers.
	I think this is a reasonable approach as the customers buying these services are usually experienced insurance professionals themselves. From an Isle of Man perspective, local reinsurance brokers would be partnering with a London or Lloyd's broker to place the business which would provide an additional layer of	As above.

	overview which would suggest comfort to the FSA the customer's interests are being protected. The vast majority of our clients are corporate firms for whom we provide Professional Indemnity, Crime, Cyber and Directors and Officers Liability and related financial institution liability insurance products. These products are all underwritten in the London and Lloyd's markets and we have a partnership agreement with a Lloyd's accredited broker who places all these products on our behalf. Our partner broker in London who places our business is FCA regulated and has to comply with the very high standards required of them as regards their clients. Perhaps in these circumstances IoM based brokers should enjoy a similar exemption?	
	We have no issue with this proposal.	Noted
Question 2	Pure protection business being carried out by IFAs	
	We have no comments or issue with the proposal	This proposal will go ahead as outlined.
	This looks reasonable.	This proposal will go ahead as outlined.
	We support this proposal.	This proposal will go ahead as outlined.
Question 3	Exemptions	
	We welcome the Authority's proposal that any intermediary wishing to take advantage of the exemption should be required to notify the Authority in advance. We do not feel it is appropriate for Isle of Man customers to be left without recourse to a local level of consumer protection and passing responsibility for this to the UK regulator is not appropriate.	Noted. The scope of the IOM Financial Services Ombudsman Scheme is not within the remit of the Authority. However, the Authority believes that it is an appropriate position in terms of policyholder protection if customers are covered by an equivalent Ombudsman Scheme, especially when it is coupled with our ability, established in primary legislation, to liaise with the FCA if issues come to our attention.
	Cross Border Services. If the Authority allows off island brokers they must be made to prominently state that customers using their services will not have recourse to the IOM Regulator or Ombudsman. We do not know how the Authority will be able to impose new regulations on online providers and we are very concerned that the new regulations being imposed on us do not give us a level playing field.	Cross border services will be subject to a further consultation in 2018.

	3.1.1 Exemptions paragraph 2 – travel agents when selling travel insurance may act as an insurance business, therefore I would like to see travel agents and other ancillary 'insurance sellers' included. However, I note your comments in 3.1.3	This will be subject to a further consultation in 2018.
	3.1.4 and 3.1.5 – how will the FCA [sic- presumably the FSA] inform UK and other offshore companies that this requirement is necessary in order to trade into the IOM?	Firms regularly approach the Authority asking about the requirements and one such firm responded to the consultation so we know that firms taking advantage of the exemption seek to find out the regulatory requirements in the IOM. We will ensure that the requirements are clearly set out on our website, have an inter-regulatory dialogue with the FCA, contact those firms that have recently approached the Authority to ask about details of such requirements, put out a press statement and rely on the awareness of Authority staff and the local market to let us know if they become aware of any intermediaries taking advantage of the exemption that are not listed on the register.
	It is OK to say that clients will have recourse to other Ombudsman's facilities in other jurisdictions but in reality it will probably be a totally frustrating exercise for clients from the IOM trying to obtain redress through them. We would like the Authority to bear in mind that any regulations should keep the IOM on a level playing field with other jurisdictions.	It is unclear why the respondent thinks this would be a frustrating exercise, the Authority has no experience of this being the case. The UK Financial Ombudsman is contactable by telephone or via the internet.
	If a company is FCA regulated, I would agree it should be exempt, but agree that intermediaries taking advantage of this exemption should notify the Authority in advance.	Noted
	We feel that this is a sensible approach and provides a manageable level of regulatory oversight of non-IOM based intermediaries. A client should be able to choose the broker they wish to act on their behalf but there should be a level of oversight from the relevant regulator and the proposal will cover this. If a FCA regulated intermediary wishes to actively market themselves on the island, they should be required to be properly registered with the FSA as is the case for IOM based intermediaries. We aren't able to market our services in the UK without being properly regulated by the FCA and this should be reflected, in some measure, locally.	Noted, proposals in relation to cross border services will be subject to a further consultation in 2018.
	We welcome the Authority's approach to advance notification by any intermediaries wishing to take advantage of this exemption. However, **3.1.3 Ancillary Insurance Business**	Noted, proposals in relation to ancillary insurance will be subject to a further consultation in 2018.

	We agree with the Authority's approach to ancillary insurance business and we further agree that travel insurance does pose a specific risk. We would also encourage the Authority to consider pet and livestock insurance also, as we believe this too poses a significant risk when sold by inexperienced organisations such as vets, banks, supermarkets etc. Although we have serious reservations as to exactly how the Authority will be able to ensure compliance, especially by large national organisations. **3.14 FCA Regulated Intermediaries** Given the focus of ICP19, it would be irresponsible for potentially vulnerable customers not to be provided with an appropriate level of customer protection and abducting [sic] this responsibility to the UK is not appropriate.	International standards (ICP 6) allow for regulators to recognise other jurisdiction's authorisation processes as long as there are bilateral agreements in place and the supervision of the regulated activity in the home jurisdiction has been deemed to be adequate. In this way, the Authority feels that this approach is appropriate to the risks and provides a practicable level of regulatory oversight of non-IOM based intermediaries. Any issues would be dealt with in conjunction with the UK FCA and ICP 3 requires that regulators respond in a timely and comprehensive manner when exchanging relevant information and in responding to requests from other regulators.
	I would agree that the access to specialist advise [sic] is necessary for the Island, but would support the implementation of a notification requirement by FCA regulated intermediaries taking advantage of this exemption being required to notify the Authority in advance.	Noted
	It should be an absolute requirement that Non-IoM intermediaries must notify the FSA in advance. Further, we would consider that it needs to be absolutely clear to the Isle of Man resident customer using the exempted providers that their recourse/protection is in the UK and NOT the Isle of Man.	Noted
	Further to an experience in 2015-16 with an Isle of Man registered insurance broker and contact with the Isle of Man Financial Ombudsman Service I would ask why in the UK would a small business be covered yet here in the Isle of Man not be? Surely this would make it logical for any Isle of Man small business to obtain insurance via a UK Insurance broker?	It is agreed that the UK Financial Ombudsman Service has a different coverage to that of the Isle of Man's Financial Ombudsman Scheme, which is operated by the Office of Fair Trading. There are a variety of factors to consider when considering the suitability of an insurance product and the coverage of an Ombudsman Scheme, in case of any issues, would be one of those factors.

	'in or from' is out of touch with modern practice where meetings are held over the likes of Skype. Not sure if there is any case law defining this as advice being given on island or whether it circumvents regulatory oversight?	"a business carried on in or from the Island" is set out in the Act and is interpreted according to the regulated activity and any associated case law. The interpretation in relation to business carried on outside the Island, but by an Isle of Man company/limited partnership or a foreign company is also contained at section 54(2) of the Act. In relation to insurance intermediation the Authority bases its regulatory oversight on the location of incorporation of the intermediary (rather than the location of the person seeking the insurance or the insurer). The internet serves as a means of communication and does not alter the nature of the service provided.
	The FCA requirements are far lower than those proposed in this consultation. Selling into the Island under an FCA license will be less onerous and far less costly that complying with regulations proposed here. Regulatory arbitrage seems likely as a result.	The FCA are consulting on changing their requirements as a result of the implementation of the EU's Insurance Intermediation Directive. The FCAs requirements are different to those proposed, but we do not accept the view that they are "far lower". However, in a number of areas that were highlighted as causing a particular issue for the industry the Authority has reconsidered its approach as outlined above.
Question 4	Financial Resources	
	We have no issues with this proposal.	Noted
	The minimum requirement of £10,000 seems low for an intermediary. How does it compare to FCA?	This is consistent with the FCA's requirements.
	I note that rule 18 says 'whichever is higher' I take from this that all general insurance firms will have to keep a minimum of £10,000 financial resources. This could be unfair to existing small firms and new small firms starting off when their exposure to risk is minimal, their excess may only be between £1,000 and £3,000 and being required to keep £10,000 unused capital may be unfair and too restrictive to small businesses and start-ups.	The Authority does not believe that £10,000 should be restrictive for an intermediary business.
	The requirement for a set level of capital of the greater of £10,000 or 125% of the PI deductible is not flexible, is too prescriptive and does not take proportionality into account. We have low operating costs, a low PI requirement and a low PI deductible. I do not see good reason to have to increase the company's called up	As above.

	share capital so significantly to £10,000. I would prefer to see say 150% of the PI deductible or £10,000 whichever is the lesser to meet this requirement.	
	I do not see a reason to be prescriptive in this way. If a company has low operating costs and a low PI requirement and is able to generate profitable business, why does it need to increase its called up share capital? With regard to a 125% of the PI deductible, if the intermediary is part of a group which has adequate resources, to meet this deductible, then surely this would meet this requirement. Possibly alternative approach. On formation, the parent could provide capital or a subordinated loan to meet the appropriate resources level (agreed by the Regulator), that must be sufficient for the business being carried out. Once it is going, and the company has built up accumulated profits, the Authority could require that the net worth of an intermediary (ie capital and accumulated profits) should not fall below the agreed level, (like insurers' current solvency requirements) and any subordinated loan should fall away. If the company increased in size by 100 times for example, then the agreed level of net worth would need to increase. The requirement for a set level of capital is not flexible in this way, incurs duty and is difficult to dividend (should the business reduce in size).	The Authority believes that the minimum financial resources requirement set out is appropriate for an insurance intermediary. If a company does not currently have £10,000 net assets the requirement could be met in a number of ways, including by increasing its share capital or with a subordinated loan.
	We feel that a minimum requirement for "pure" GI brokers should be introduced. This will ensure that clients are protected in the event of the failure of a firm and the suggested level of £10,000 or 125% of the broker's PI excess is a sensible approach.	Noted
	We consider that the Authority's proposals in this area are both well thought out and proportionate.	Noted
	I feel that clarification is needed as rule 18 should be amended to say £10,000 or 125% of an intermediary's professional indemnity insurance deductible excess and not 'in excess of'.	Agreed that this should be amended to 'at least'.
Question 5	Annual Regulatory Return	
	An annual Regulatory Return approach would make sense. Comments: a) I do not believe that giving a rationale for the PI limit is necessary every year.	a) The Authority believes that reviewing, considering and documenting a rationale for the level of PII maintained on an annual basis is good business practice. Intermediary businesses are in the best position to do this and the Authority wants to be made aware of the rationale,

	b) Item 5.2 on the annual return "under a written risk transfer agreement", I can't seem to tie this down to the Regulations. Is it too much detail in any case?	especially where the level of PII held is the regulatory minimum. b) It ties into the definition of "money held at the risk of insurers" at regulation 3 of the draft Regulations which refers to a written agreement between a registered insurance intermediary and an insurer and is to allow the Authority to understand how the money is held by the intermediary.
	An annual Regulatory Return approach makes good sense, however I do not believe that providing a rationale for the PI limit is necessary every year (see comments about the PI Limit below), and under Item 5.2 on the annual return "under a written risk transfer agreement", I can't quite follow this and wonder if it's too much detail in any case?	As above
	Will this same requirement be applied to firms seeking FCA exemptions?	No, the Authority will not be primarily responsible for the supervisory oversight of FCA regulated intermediaries. However, it should be noted that a different annual return will be required by such intermediaries to update the Authority on the level and type of business undertaken on the Island during the year.
	Guidance or definitions would be required for 3.1 "private, commercial and professional business". Are these 3 categories? Where business is not recorded using such a split will the intermediary be able to simply provide their best estimate?	These are 3 categories and further guidance can be provided on the form. For example, "private insurance" relates to private motor, private household, etc, "commercial insurance" relates to commercial property insurance, motor fleet, motor trade, business interruption, employer's liability, and "professional insurance" relates to professional indemnity and D&O insurance. A best estimate would be acceptable.
	We feel that the suggested requirements are appropriate and have no further comments to make.	Noted
	The only issue here is that FPIBA would appreciate an acknowledgement that any future proposed changes to the make up of the document would be done by consultation and agreement with the Association. This will assist us with continuity.	Although it would not be a legal requirement for changes to the ARR to be consulted upon, it would be the Authority's normal practice to give entities prior notification of any changes through the industry body.
	We have no comments, other than to say that any future changes to the content and make up of the ARR should be done by consultation and agreement prior to	As above

	implementation. This would assist us in maintaining continuity and stability within our daily business lives.	
	Whilst there is no objection to the requirements set out within the ARR, given that the Bank's main activity is that of Banking and subsequently we are required to submit an ARR for the Banking and Investment business we would look for some kind of exemption whereby information is taken from the Banking submission with possibly just an addendum to include Section 3 Additional Financial Information to avoid duplication.	There are 4 questions that are duplicated with the Banking and Investment business return. It would be acceptable for the return to state "see banking return" for those questions.
	Any breaches should be compulsory notified and investigated by the Authority, at the very least to establish if the Authority has been told the full story. Is there a stated range of penalties should an intermediary fail to carry out it's insurance business in accordance with the relevant legislation or even non-disclosure of significant issues.	Notification of breaches will be picked up as part of the Corporate Governance framework which is due to be consulted upon in Q2 2018.
Question 6	Professional knowledge and experience	
	Professional knowledge and experience-This is the proposal which is of greatest concern to all our members and we make the following representations: • As detailed in our opening comments the Authority states that 'throughout the document consideration is given to requirements and developments in other jurisdictions in line with international standards and to achieving a proportionate approach for general insurance intermediaries'. To the best of our knowledge and belief there is no requirement for this in the UK, Jersey or Guernsey. This is completely over the top and if introduced will result in increased expenditure as well as a significant reduction in the number of the people willing and able to work in the industry. This will not benefit the IOM customer. • There is no mention made of any grandfathering arrangements. Members have staff with up to 30 years experience in the industry and there is no mention from the Authority considering that this experience is also a measure of competence. It is noted that any requirements etc. will be reflected in the draft CGC Code which is to be consulted upon later in the year but we cannot recommend strongly enough that this matter is now removed. • We have a member who in addition to operating a branch network has a call centre where the vast majority of products sold are via fully	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.

	automated systems in line with those of call centres operating in other jurisdictions selling insurance products to Isle of Man residents and this proposal will put the majority of jobs at risk. • Recruiting in this sector in the Isle of Man is already extremely difficult. This will make it almost impossible.	
	This would be a very significant area of regulatory arbitrage if FCA exempt intermediaries were not required to carry the same exams. Staff costs would increase with the limited pool of compliant talent creating pressure on salaries. In addition UK FCA intermediaries would have a significant advantage with less cost and less onerous staff requirements. Trading from an FCA platform would have significant appeal without a level playing field.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
	Personal lines business: We train our staff in-house and also encourage staff to obtain the Cert CII where possible. All of our staff and working Directors have 70+ years of experience between them in the industry in all the general products that are sold through our business. Just having a Cert CII will not in its own right replace staff who have gained 'working experience' over many years in general insurance products and services industry. We feel that if all front facing staff have to have Cert CII then the local industry is not fair or reasonable and companies will struggle to obtain staffing. A % of staff would be a better solution. Study time and cost is an issue as well – it will probably take a minimum of a year to obtain cert CII on the IOM. If all staff have to study then as a small office we would find it very difficult to run the business and offer the amount of time off needed to study along with the cost, normal sick days and holiday periods where we always have reduced staffing.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
	The general movement and availability of staff in the IOM general insurance sector is very, very limited any many of the staff are part-time persons returning to work who have experience in the sector but no formal qualifications. I doubt if very many part-time staff returning to work will want to have to study as well and if made compulsory may stop them returning to the industry. This will definitely lead to a shortage of staff within the local general insurance sector. If some of our staff decided not to study then we would no doubt lose them and the experience they have. I believe it would prove extremely difficult for our	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.

	company to replace existing 'experienced staff' from the local general insurance market.	
	Commercial insurance advice: The paper suggests that all persons advising on commercial insurance should have a DIP CII qualification: We feel this is unsuitable as follows: • Commercial insurance should be broken down into complex commercial and SME commercial. There is a distinct difference between the two: Complex commercial is usually handled on a face to face basis with larger businesses that fall outside the SME definition. SME commercial is really likened to personal lines business in that it caters for the single tradesman to small business risks, pubs, restaurants, tradesman etc. The majority of SME commercial can now be transacted on the internet on a 'tick box' basis exactly the same as motor and home insurance. • We only transact SME commercial business and have done for 25+ years. To make it compulsory for all staff to have a DIP CII is unfair and unworkable. Our SME business is handled by 2 directors who have 50 years' experience in this type of business. The requirement would mean stopping trading in SME business completely and letting staff go. • Our commercial schemes are only for SME business concerns. The majority of our business is written on binding authorities granted by insurers who have a long history of dealing with us and conduct annual audits on training and underwriting. • Our experience in SME business means we are fully aware of our underwriting criteria limits and would not advise or take on a complex commercial client. • We have been advised that to obtain this qualification on the Isle of Man would take 4 years of study (at a push 3ish) – I would suggest that more investigation is conducted into this matter. • We feel that the majority of the general insurance brokers on the Island fall under the SME commercial category and all will suffer the same problems regarding study and staff.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.

	• We believe that within 5 years a large majority of SME commercial business will be transacted from the internet by clients. • For ease and fairness to the IOM industry this matter should be removed from the document. • Has the Authority checked with other jurisdictions that they are on the same playing field with this requirement? I don't think that in the UK general insurance sector all staff have to be Cert CII qualified in order to work in the industry call centres. We would like further consultation of the idea of having a Dip CII in order to transact SME commercial insurance as we believe the present idea within the paper needs more consideration.	
	We have our own in-house training on the products we sell from our binding authority writers. We would like in-house training to be included within any overall CPD requirement.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
	New employees without the qualification need time to obtain the qualification at the same time as working within the office and completing in-house training – would this mean that all new staff have to obtain the qualification before they could start front facing work? If so, I feel that this is not a workable solution for small IOM businesses. All of our new staff receive in-house training in their products before advising clients.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
	We feel that a sensible approach would be to have a Manager within the front facing office of the business with Cert CII and an individual business option for staff to obtain Cert CII as an improvement to future staffing within the industry, rather than compulsory for all front facing staff especially where businesses have in-house training on their products and services.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
	I believe that there should be a provision that experience and other qualifications should be taken into account and that the Regulator should have discretion on this point, or at least have the ability to "Grandfather" in existing professionals in the sector.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
	[Entity] supports that have a well-trained and qualified workforce are important to the continued growth of the IoM. However as no other jurisdictions have minimum formal qualifications for this industry, introducing such a requirement on the Isle of Man would cause disparity and therefore regulatory arbitrage. The CII Qualifications are not suitable for Manx intermediaries as they are not	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.

	intermediary qualifications but insurer qualifications and teach UK law and regulation not Manx law and regulation. Similarly we do not think the 2 year transitional period is appropriate for the industry.	
	We are delighted that the FSA has addressed the topic of professional qualifications and proposed a minimum qualification level for insurance intermediaries on the island. This is a bold but pragmatic move which will only raise the level of professionalism and the quality of advice of provided by IOM based intermediaries.	We welcome your support and although we have amended our proposals due to the practical issues raised by a number of other respondents, the Authority continues to believe that the level of professionalism and the quality of advice would be improved by intermediaries that choose to follow the Authority's best practice guidance.
	The general consensus from CII members was that they were all in favour of the minimum qualification requirements and would welcome the changes. They felt that this would improve their own prospects and contribute to improving the perception of the local industry.	We welcome the support and although we have amended our proposals due to the practical issues raised by a number of other respondents, the Authority continues to believe that the level of professionalism and the quality of advice would be improved by individuals that choose to follow the Authority's best practice guidance.
	We strongly believe that anyone who provides advice on behalf of a regulated firm should be properly qualified and deemed competent to do so. As insurance intermediaries, we are only too aware of the consequences of when a professional person provides negligent advice and we are pleased that the FSA is leading the way in recognising the importance of the role we play. The introduction of a mandatory minimum level qualification for insurance intermediaries will embed confidence in the local insurance advice market and we expect other jurisdictions will be monitoring developments very closely. Both consumers & commercial clients expect quality and sound advice from their insurance adviser and that they can have confidence that we are knowledgeable and provide them with informed recommendations. It is a requirement for other professional service provides such as lawyers, accountants and financial advisers to be properly qualified and to demonstrate their ongoing competence by maintaining relevant CPD records; there is no reason why this shouldn't also apply to our industry. Whilst we don't expect this to be a popular proposal for all local firms as it will obviously involve additional cost, we feel that it is necessary to ensure a high standard of advice is provided and to maintain confidence in our industry.	We welcome your support and although we have amended our proposals due to the practical issues raised by a number of other respondents, the Authority continues to believe that the level of professionalism and the quality of advice would be improved by intermediaries that choose to follow the Authority's best practice guidance.

	We have an excellent local representative branch of the CII on the island and they provide a number of quality soft skills, technical and revision sessions to ensure the standard of professional development remains high although not all firms choose to participate in these. We actively encourage all staff members to obtain relevant qualifications and to continually develop themselves professionally. We have invested heavily in this and ensure that the support is available for them to achieve this.	
	As no other jurisdictions have minimum formal qualifications, introducing such a requirement on the Isle of Man would cause disparity and therefore regulatory arbitrage. The CII Qualifications are not suitable for Manx intermediaries as they are not intermediary qualifications but insurer qualifications and teach UK law and regulation not Manx law and regulation. We feel our own internal training regime is much more relevant and intermediary specific. This is the area that gives us the most concern. We feel that very little, if any consideration has been given to our business model. It is completely impractical and indeed will put the majority of jobs at risk if the Authority implements minimum educational standards for employees selling insurance products. The vast majority of products sold via our call centre are fully automated and our procedures are in line with those of call centres operating in the other jurisdictions selling insurance products to Isle of Man residents. We have our own internal training procedures together with a mentoring scheme for new employees. If we were to insist on professional qualifications before our work force were able to sell insurance products, then our company simply would not exist in its present form!	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
	I would suggest that in line with other jurisdictions, the Regulator should make provision for experience and/or other qualifications to be taken into account and should exercise discretion, or at least "Grandfather" existing professionals in the sector which I believe is typical in other jurisdictions.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
Question 7	Transitional period for qualifications	
	• We do not feel a 2 year transitional period is appropriate. Taking the requirement to gain the Diploma level CII qualification to transact commercial insurance for example, if you start with a person of 20	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.

	years experience in this field but currently with no formal CII qualifications it could take a minimum of 5 years to achieve this level. During this period the staff member will be anxious about the implications of not attaining their examination and this could have a negative effect on performance or even lead them to consider a new role outside the industry. This in itself would have a negative rather than positive outcome for the industry. • What happens when a new recruit leaving full time education starts in employment? Does this mean they can't transact any business until they have the relevant qualification? Members can't take on staff that cannot generate any revenue for potentially years? • What happens when a suitably qualified member of staff leaves and a suitably qualified replacement cannot be found? • The paper talks about in addition to mandatory qualifications the 'requirement for there to be a senior person within the intermediary firm that is responsible for the advice given by the firm and for overseeing the training needs of client facing staff. Please provide further detail here. • We continue to believe the suggestions we put forward in response to the discussion paper are more appropriate and in line with other jurisdictions to fulfil the need to ensure the relevant experience is demonstrated i.e. o Make membership of a recognised (stipulated)professional body mandatory for all client facing staff o Ensure CPD is carried out to the professional bodies requirements and is fully documented for potential inspection by the Authority o A training needs analysis to be completed for all 'client facing' staff. The TNA and full training records to be maintained and available for inspection. o A percentage of the relevant staff to be qualified to a minimum of Cert CII or equivalent.	
	• It could take between 1-2 years to obtain cert CII and if a Cert CII [sic - presumably Dip CII] could take up to 4 years. (There are very few staff	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.

	available to the general insurance businesses in the IOM with existing qualifications). • Staff layoffs could occur. • We feel this [sic] the proposition is not workable in its current form.	
	Not to obtain an ACII qualification. In my case, I do not believe that obtaining ACII qualification is necessary to do the job that we do. If you are talking about the introduction of the other requirements (procedures etc) then 2 years is sufficient.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
	We feel that [the 2 year transitional period] would be sufficient for an individual to obtain the Certificate in Insurance as this qualification consists of 3 modules and a suggested 50 hours study time for each module. Where the individual is required to obtain the Diploma in Insurance, we feel that a 3 year transitional period would be more realistic as completion consists of 5 or 6 technical units, depending on the subjects chosen. The average suggested study time for each unit is 100 hours. We also feel that consideration should be given to insurance professionals who have worked in the industry for a number of years but do not hold any formal qualifications. They will certainly have the relevant experience and this can be invaluable so we believe an alternative avenue could be offered similar to when the RDR requirements for financial advisers were introduced in 2014.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
	We feel that the proposed 2 year transitional period is sufficient for individuals who currently advise on personal lines business and would be required to obtain the Certificate in Insurance. This is an entry level qualification and covers the basic aspects which should be required, as a minimum, to provide advice to consumers. The qualification consists of 3 modules with a suggested 50 hours of study per module and we feel that this should easily be achievable within the suggested 2 years. Where an individual advises on commercial business, they should be required to have, at least, the Diploma in Insurance as this is a technical level qualification and reflects the level of knowledge required to competently advise on these more complex and sophisticated risks. Due to the nature of the risks, a much more in-depth knowledge of insurance is required as the ramifications of making a mistake could be financially significant to both the insured and the insurance intermediary firm. We feel that this is an	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.

	area which urgently needs to be addressed as there are currently no minimum requirements for an insurance adviser to be able to advise on these types of risks. With regards to the time-frame, whilst we don't think 2 years would be adequate for this level to be attained, we would suggest 3 years would be more reasonable and we fully support the requirement of having a suitably qualified person responsible for the advice given and for the ongoing training of client facing staff.	
	The proposed 2-year transition period is completely inappropriate and in our opinion unworkable. If a DIP CII became a requirement to sell or advise commercial clients, then this would decimate our commercial department with the loss of several hundred thousand pounds of income to the company and the ***loss of four further jobs***. Not to mention the reputational damage it would do to [our business].	
	No I think 5 years would be more realistic. Certainly 2 years is not feasible to obtain an ACII qualification.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
	The question should NOT be about a transitional period it should be about whether or not it should be introduced at all. The authority states that 'throughout the document consideration is given to requirements and developments in other jurisdictions in line with international standards and to achieving a proportionate approach for general insurance intermediaries'. To the best of our knowledge and belief there is no requirement for this in the UK. This is completely over the top and if introduced will result in increased expenditure as well as a shrinking of the people willing and able to work in the industry. This will not benefit the Isle of Man customer. We have staff with 5 to 30 years of experience in our industry and there is no mention from the authority considering that this experience is also a measure of competence. It is noted that any requirements etc. will be reflected in the draft CGC Code which is to be consulted upon later in the year but we cannot recommend strongly enough that this matter is now removed.	As a result of the feedback received this proposal has been revised as stated within the section 2.2 of the paper above.
Question 8	Information to be provided to customers	
	• There are real concerns here regarding the proposed timing of the requirements for supplying information to customers. The word 'immediately after conclusion of the contract' has been used in the	Previous feedback has suggested that point of sale disclosures are made based on UK requirements as these are seen to be best

	draft proposal. This is not practical or workable. Although insurers are obliged to send us the relevant documents in a timely fashion and in line with Contract Certainty obligations they are rarely available immediately at point of contract. We would propose any timescales/requirements are in line with UK/ other jurisdictions so as not to put island intermediaries at a disadvantage. • It should be noted some insurers offer a cooling off period which we believe is sufficient and care should be taken to ensure that the process is not made onerous which could result in delays in issuing protection for customers.	practice. This requirement is in line with the FCA's proposals for implementing the Insurance Distribution Directive. The requirement is in relation to the key product information to be provided in writing before a customer enters into a contract, rather than any contract documentation that is subject to the principles of contract certainty. Therefore, it is understood that this information is generally available before a customer enters into a contract. The wording immediately after conclusion of the contract is only in relation to telephones sales where it would not be feasible for the information to be provided pre-sale.
	We believe this should mirror the UK requirement for contract certainty which is more realistic and proven to be achievable. UK insurers are already familiar with the UK requirements and it will be difficult and probably unrealistic to persuade UK insurers to change/accelerate their FCA processes to fit with more onerous FSA requirements for each and every case.	The Authority believes that this requirement is in line with the FCA's proposals for implementing the Insurance Distribution Directive.
	We believe the wording "immediately after the conclusion of the contract" is not practical or workable. We are required by our insurers to send out paperwork in a timely manner and we usually advise clients that the paperwork can be concluded within a 7 day period. Also insurers generally give a cooling off period and we feel this is sufficient for customers.	The requirement is in relation to the key product information to be provided in writing before a customer enters into a contract, rather than any contract documentation that is subject to the principles of contract certainty. Therefore, it is understood that this information is generally available before a customer enters into a contract. The wording immediately after conclusion of the contract is only in relation to telephones sales where it would not be feasible for the information to be provided pre-sale.
	Our clients are all large corporates and we intermediate very small numbers of contracts. We will provide our clients with a copy of the very detailed cover note that is provided by the Placing Broker in London. This covers most of the points on 9.2. Items g) exclusions are included within this contract and we do not believe more detail is required, as with h) i) and j). This is also referred to in Item 7 General Sales Principles c) and d). Point 7 e) we would meet by obtaining specialist information from the placing broker, not insurer. In most cases there will be no proposal form g) but we will provide (for example with terrorism cover), details of the locations, exposure at each location and security measure from information sent to us by the client. Our insurers rarely require proposal forms.	The practice outlined appears appropriate for this type of business, which will be exempt from the draft Code under the revised proposals.

	There is a danger in the sales principles in making them too prescriptive and not proportionate to the different types of intermediary business: perhaps they should be general guidelines, rather than “an intermediary must”. The services we offer are very different to that of a motor/ household broker. However, with personal lines intermediaries, I am not sure how easy it would be to point out all the exclusions, and provisions of cover when selling to a large number of policies unless all the policies issued are from a very small amount of insurers. I think it would be useful to make a distinction between new business and renewals. If the renewal policy terms and conditions (apart from premiums and limits for example) are essentially the same, then the requirement to provide information before and after renewal of this type should not apply. If you are going to require intermediaries to provide all information about the product in writing to all clients (and I do not believe that this is proportionate and should be looked at again), then probably no less than half a day before inception. I was wondering about 7 days before inception, but this would make it impossible for someone to insure their car over the phone immediately. If you are providing details of cover placed (via cover note for example), then perhaps within 14 days of binding cover. Sometimes there is slippage in obtaining the cover note, cover may be evidenced by a placing slip for example in the first instance.	The Authority believes that the information should be provided at new business and renewal. The information listed is a summary of the contract and not the details of the cover placed. The Authority has not prescribed time scales for issuing the contract documentation. This would be covered by contract certainty principles and, for personal lines, should be sent within 7 days. This allows the policyholder sufficient time to consider the policy and utilise the cooling off period, if necessary.
	Our clients tend to be large corporates that are generally very well versed in the products we provide, and we always meet with prospective clients to establish exactly what their requirements are. Once our London partner broker has obtained terms from the markets, we generally meet with the client again and table a detailed quote sheet to them which would cover the essential terms and conditions of the product, premiums, deductibles exclusions etc. Once cover has been bound, our usual practise is to produce a full policy and schedule to our clients within 10 days of the cover incepting which is provided by the Placing Broker in London. I would suggest a more general approach to sales principles with the view of not making them too prescriptive but rather proportionate to the different types of intermediary business; general guidelines rather than an intermediary must. The nature of the products we provide is very different to that of a typical general motor and personal lines broker.	As above, this type of business will be exempt from the draft Code under the revised proposals.

	I would suggest a distinction between new business and renewals would be sensible; in most cases the renewal policy terms and conditions are essentially the same other than the premiums and excesses, so the requirement to provide information before and after renewal shouldn't need to apply. I believe it is almost impossible for intermediaries to provide all information about a product in writing to all clients in advance of a sale.	This is not consistent with the FCA's changes to ICOBS as a result of the implementation of the IDD, which require the insurance product information document to be provided renewal.
	Due to the nature of the contracts we advise on, we feel that it is important that the client is provided with all available information prior to the contract being incepted and again at the post-sale stage. Any warranties or conditions should be highlighted at the recommendation stage and confirmation that the client understands what is required of them should be sought and documented to avoid any misunderstanding further down the line.	Agreed
	Our opinion is that the overriding principles should be that of "creating a level playing field" together with "reciprocity". It is our belief and concern that the local market should not be placed at a disadvantage or overloaded with additional bureaucracy. Therefore, we consider that current practice is indeed sufficient and is in line with UK requirements, which we believe are best practice.	The FCA are currently consulting on updating their requirements in line with IDD, and the requirements proposed in the draft Code are in line with those.
	The vast majority of the information is provided either in the policy document or by ourselves as a result of speaking with the client. The current system is not broken and it is accepted that best practice is already in place. Delays to issuing some policies could occur.	Noted
	I would expect the insurance intermediary to: 1. ensure that they have fully received all relevant data from the client to allow them to provide best advice (including potential changes to the business model – an example of this would be our decision to move into aircraft cleaning which meant we could not use a local insurance company). 2. advise (both verbally and in writing) the client on: 1. the most suitable products available in the market to them 2. any specific benefits 3. any specific omissions 4. the potential effects of any omissions 5. disclosure on levels of commission received on each alternative 3. This information should be given in reasonable time (on a practical basis a	This aligns with our view that an intermediary needs to clearly set out the services that it provides.

	period of 2 weeks at the very minimum before renewal to cope with business activities and/or holidays). 4. We have had a recent example of items 2.2 – 2.5 whereby the failure of an Isle of Man Insurance intermediary to comply with existing legislation, or even the four-eyes principle of business supervision (bearing in mind they are also fully regulated to provide financial advice). Our concern would be if this happened to us then it could have happened to other clients of theirs, it could still be happening and it could be a general failing within the insurance intermediary sector.	
	A policy summary is generated which does include the cooling off period notification as well as a policy quote summary alongside a "What you need to know" hand out which highlights who we are regulated by and reinforces the non-advised nature of the service.	This would appear to be in line with the changes proposed to the draft Code allowing a no-advice service as long as policyholders are made aware of the service that they are receiving.
Question 9	Paragraphs 5 and 6 of the Draft Code	
	We welcome these proposals around the principle of Treating Customers Fairly. They are in line with other jurisdictions and reciprocity.	Noted
	I do not believe any intermediaries would argue with the correctness of treating customers fairly. However these requirements set the bar high in term of what is going to be in the procedures. Paragraph 5 looks OK but where it says establish and implement policies and procedures, these should be proportional to the business. Paragraph 6 also looks OK. However, with regard to 6.2 our clients are all over the world (Singapore, Indonesia, Africa etc). They send e-mails day and night 7 days per week and we respond accordingly. To not do this would make business very difficult with time zones etc. Perhaps 6.2 and 3 should be referred specifically for the purpose of selling personal lines products over the phone or similar. Not for conducting multinational corporate business where this is required.	Agree – we have made a change to this effect. It is agreed that this is more relevant to selling personal lines products over the phone. Communication via email or social media that people choose to access whenever they want does not need to be caught within this requirement.
	We welcome these proposals.	Noted
	[We] remain committed to ensuring that customers are treated appropriately and with respect. We consider our internal controls are already well established and focus on treating customers fairly and therefore have no further comment on these draft paragraphs of the Code.	Noted

	TCF is a core principle within our company and is fundamentally embedded within our internal training regime. We believe the proposed rules within the draft code are both adequate and consistent with current trading practices and fullfill [sic] the ICP's.	Noted
	I believe treating customers fairly is essential and core to all intermediaries as is fair and reasonable behaviour. With regards the various sections under paragraph 5 and 6, I feel these are reasonable in general, but that in certain instances, the requirements should not be absolute. For example, we provide cyber liability products to our clients; in event of a claim, this could occur at any time 24/7, so it would be appropriate to communicate with a client in 'unsociable hours' in circumstances like these.	If contact is made by a client (e.g. in the event of a claim) it would be acceptable to assume that the person has agreed to communication at an 'unsocial hour'.
	No comments regarding fair treatment of customers. Policy in place.	Noted
	Para 5(2)(b) - FCA contract certainty is for commercial is 30 days.	Contract certainty requires the contract documentation to be sent within certain time periods. This should not stop an intermediary from ensuring that clear information is given to prospective policyholders so that they know what they are buying before entering a contract.
	Para 5(2)(d) – would this be satisfied by maintaining a complaints register?	Maintaining a complaints register and monitoring trends would be part of the process. The Authority would also expect a compliance monitoring or internal audit process to be looking at the business' fair treatment of policyholders.
	Para 5(5)(a) – is this intended to pick up where some brokers have very few insurance company agencies yet their clients are perhaps given the impression that a large number of insurers are available through that intermediary.	Yes – it should be clear to clients what service they are getting from an intermediary.
	Para 5(5)(b) – where a risk is wholesaled with no local agency will this need to be declared?	No, generally where a risk is wholesaled this would not impact on the independence or impartiality of the intermediary and so would not need to be disclosed under this requirement. However, it may need to be set out in a terms of business agreement under the requirement for an intermediary to set out the basis on which it is to provide its services.
Question 10	Paragraph 7 of the Draft Code	
	No comment – we already do this.	Noted

	The only comment we would make here is that any requirements should be in line with UK and other jurisdictions requirements so as once again not to put the local market at a disadvantage to off island competitors. It is our belief that regulatory requirements should be no greater than that imposed in neighbouring jurisdictions.	The Authority believes that these provisions are equivalent to those in neighbouring jurisdictions.
	Only our latest insurance intermediary has ever done this fully in 9 years of business. Therefore it needs to be policed rigorously. Insurance companies and therefore intermediaries are here for the customer – we are not here for them.	Noted
	Para 7(1)(a) – We believe that this is not happening at present particularly where IOM intermediaries are using wholesale brokers.	This issue has been noted.
	Para 7(1)(b) – If the intermediary cannot access the most appropriate insurer as they have no agency how is this point addressed?	As long as the product can be demonstrated to meet the client's needs this point would be addressed. If the intermediary is not able to provide a suitable product they must advise the client of this and refer them to a different intermediary/insurer.
	Para 7(1)(c) and (d) – should be as per FCA	No rationale is given for why these requirements should be as per FCA (or which FCA requirements are being referred to). Following the changes currently being consulted upon by the FCA, a pre-contract document will be required which sets out this information. The Authority does not believe that requiring an intermediary to point out that these are included within the documentation will cause an issue. The word "all" has been replaced by "main".
	Para 7(1)(i) – What about broker policy admin charges etc?	These should be disclosed to policyholders.
Question 11	Procedures that intermediaries currently have in place to demonstrate that the policies proposed for clients is suitable to their needs and resources	
	The paper talks about UK regulation and wishing to be consistent and proportionate. The concept of 'no advice' is allowed under UK regulation but not IOM. It should be recognised that some classes of insurance, primarily personal lines are transactional and are purchased by the client rather than being sold. To document the suitability of a product in a high volume environment that requires contracts to be issued quickly would be unworkable.	As a result of the feedback received, the Authority intends to retain the mandatory requirement to ensure that the policy proposed is "suitable" to the needs and resources of the prospective policyholder. However, guidance will be issued on how this could be interpreted in a more proportionate manner for differing types of insurance products offered by the sector, which will allow intermediaries to offer advice on a proportionate basis underpinned by an investigation of the customer's circumstances, to ensure that any product sold can be demonstrated to be suitable for the policyholder's needs.

	We have noted specifically the element of the consultation under section 3.4.4 around suitability and appropriateness of advice. Under the current model there is no avenue for advice / recommendations by members of staff in the branch for the quote & buy system. The wording in the consultation makes reference to there being no avenue for a 'no advice' sale under the IOM regulations. While we can appreciate the need for suitability and appropriateness when considering pure protection policies we would question this as it pertains to home and car insurance available through the quote & buy system and would seek clarification around this point. If the business was required to consider the noted professional qualifications for staff to support customers through the quote and buy system this would have a significant impact on our current operating model.	As above.
	The consultation paper goes on the state why the Authority believes it is satisfactory to allow insurers to sell insurance products without requiring them to be registered as an intermediary. It advises the Code requires them to enable its policyholders to take suitably informed decisions by proving adequate and appropriate information to the policyholder. Can the Authority please advise how an insurer can do this when there may be eminently more suitable products on the market which would provide better quality and more appropriate cover but the insurer a) will not be aware of these b) not be in a position to advise on this. Surely this is two tier standards.	If policyholders choose to purchase insurance directly from an insurer they should understand that they will only be getting the products of that insurer. Insurers have separate a Conduct of Business Code and Corporate Governance Code specific to the business of insurers. The insurer must assess the policyholder's needs and give the policyholder sufficient information for him/her to be able to make an informed decision (including the limited scope). Any advice given will be limited to the suitability of the insurers' products for the policyholder.
	Being able to demonstrate whether policies and procedures are sufficient to meet clients' requirements is a difficult thing to do. We have a small amount of clients, some of them will make presentations in London to their insurers, and meet with the placing brokers. They are fully appraised with the terms of the contracts of insurance. We do not believe that the process we have in place (which is essentially very close liaison with placing brokers and our clients) is fit for purpose. We can and will introduce procedures along the lines of the code and Regulations, but it will be difficult to demonstrate how these fit our clients' needs. It just seems like a difficult thing to demonstrate.	We wanted feedback on how firms currently evidence that the insurance policies recommended for each client are appropriate for that client.
	We have no issue with the principle that a ***"policy proposed is suitable to the needs and resources of the prospective policy holder,"*** but to document this and provide it to the customer would be highly impractical and indeed unworkable in a high-volume environment that requires contracts to be issued quickly and efficiently. We would therefore oppose the imposition of such a requirement.	We did not suggest that it had to be provided to the customer.

	The additional bureaucracy again we feel would prove a barrier to dealing with local Insurance Intermediaries, and would potential drive business to UK Insurance intermediaries.	
	We have no issue with the principle that a ***"policy proposed is suitable to the needs and resources of the prospective policy holder,"*** but to document this and provide it to the customer would be highly impractical and indeed unworkable in a high-volume environment that requires contracts to be issued quickly and efficiently. We would therefore oppose the imposition of such a requirement. We currently ask an exhaustive list of questions of the client, all of which are fed into our computer system from which a list of suitable products is displayed. We then discuss the various options, terms and conditions, policy excess or other restrictions with the client and the decision is made. At that point, the sale is usually concluded and the relevant documentation sent to the client with a request that they carefully examine the policy and the schedule and advise us immediately of any inaccuracies or other concerns they may have. Experience has proved that this works extremely well. Therefore, we consider the existing procedures we adopt to be more than adequate.	We did not suggest that it had to be provided to the customer.
	For non-personal/commercial clients, prior to recommending an insurance policy, we will carry out a full client "fact-find" to ensure that their demands & needs are met with the product that we recommend. This involves ensuring that we have a good understanding of their business and the risks that they face, and that these can be mitigated by way of a suitable insurance policy. We will then carry out a fair analysis of the market by approaching a number of insurers who have been deemed suitable on our panel. A copy of the statement of fact is provided to the client and they are encouraged to check and make sure the information is correct. Once we have identified a suitable product, along with the statement of fact, the client is provided with a copy of the insurer's quotation and the policy wording. We will summarise why we have recommended the product and highlight any important warranties, conditions or exclusions which they should be aware of. Only when we are satisfied that the client is fully aware of these, will we accept instructions to place them on cover.	The Code will retain the binding minimum requirement to ensure that any policy proposed is "suitable" to the needs and resources of the prospective policyholder. Guidance will be issued on how this could be interpreted in a proportionate manner for differing types of insurance products offered by the sector, which will allow intermediaries to offer advice on a proportionate basis underpinned by an investigation of the customer's circumstances, to ensure that any product sold can be demonstrated to be suitable for the policyholder's needs. The practice outlined would meet and exceed the minimum standards.

	For personal lines business, such as household or motor, we will also approach a selection of insurers and then provide the client with a summary of the information provided to us along with their quotation. Again, they are encouraged to ensure the details are correct and that they are aware of the basis we have quoted on, along with any important terms of the policy. We would always encourage any client to use the services of an intermediary as this will ensure that they are receiving bespoke advice aligned to their needs. We are not aware of any intermediaries who are providing "execution only" transactions and would actively discourage this.	
	We do our best to ensure that the policies we provide our clients are suitable, adequate and appropriate to meet client's requirements.	Noted
	Main comment to make here is that we do not conduct any business via the internet. This means that our administrators will always speak with the client to ensure they are receiving the right policy that meets their requirements.	Noted
	We have generally been impressed with the data collection by all intermediaries since 2010 however whilst this is good I have found the need to explain the full nature of our business to hopefully ensure best product. Still a serious mistake was made in two successive years by the intermediary.	The intermediary should ask clear questions but ultimately it is the policyholder's responsibility to explain their demands and needs to the intermediary in order for the intermediary to identify a suitable product. A policyholder does have an obligation to monitor his or her own cover to ensure it remains adequate and this should be explained to the policyholder by the intermediary as part of the sales process.
Question 12	TOBA	
	We have considered the TOBA requirements as set out in the draft code and do not see any issues with them.	Noted
	The TOBA requirements do not look too difficult to deal with. Item 8g may need to say that we can provide information to the Regulator, law enforcement if requested, the Registry (beneficial owners) etc.	Agreed – the information may need to be shared with others than those listed in this requirement. The wording will be amended to be less specific in order that it is not unnecessarily narrow.
	The TOBA requirements do not look too difficult to comply with. Item 8f regarding interest received may require further thought as to how to deal with this in principle. Item g may need to be revised to allow intermediaries to provide information to the Regulator and the police law if requested.	As above

	The information may need to also be shared with claims management companies or broker networks.	As above
	We have considered the requirements in the Draft Code and are comfortable with these.	Noted
	We consider that the Authority's proposals for the contents of the TOBA are adequate and proportionate for the general insurance sector.	Noted
	Any TOBA should specify all fees and what they are for. TOBAs should be mandatory.	Noted
Question 13	Client money	
	We believe current broker software systems available to local intermediaries would not be able to segregate client money held under risk transfer agreements with insurers and client money not held under such agreements. Further local intermediaries who have a global or UK parent who administers the client monies may also find such a requirement either onerous or impossible to fulfil. As client monies are already held in a separate clients account and subject to audit we believe the current arrangements remain appropriate.	The requirements require strengthening in line with international standards and to ensure safety of client money in a liquidation situation. The UK and Guernsey both require this segregated approach but allow the money to be held within the same account, if it is held to the higher standard and as long as the insurer acknowledges that, in a liquidation situation, its interest wold come after the intermediaries' clients' interests. The draft Regulations will be clarified in this regard.
	We are happy with the fact that the Authority has split the definitions into more precise categories. However, it may not be as easy as the Authority requires for existing software set ups to make the separation as required. The current agreements in place with insurers seem to work well – currently client/insurer money is are held in separate client and office accounts and subject to audit. I am sure that most intermediaries reconcile accounts for insurers every 30 days when paying their insurer accounts, so the risk element is really low. We feel that the current set up with insurers that has been in place for 20 years works well.	As above.
	The process we follow is as follows: Placing broker offers terms, we liaise with the client and obtain a firm order. The placing broker issues a debit note and we issue a corresponding debit note to the client. When monies are received these are paid on to the placing broker and on to the insurer. Where 3.5 of the introductory note says "the intermediary must have an agency agreement in place with the insurer conferring contractual authority to commit	Whilst the new requirements appear more complex and onerous than the current ones, the underlying principles are – Regulation 10 – client money must be held in a separate client account with the words "client account" in the title Regulation 11 – only client money should be held in the client account and the account must be operated using a 4-eyes principle.

	the insurer to risk, settle claims etc", this appears to be a situation where the intermediary has an underwriting agency and not relevant to us. 3.5 goes on to talk about client money (which is), but I believe that this issue whilst important, has got too over-complicated. (also in section 5 of the Annual Regulatory Return). I think the requirement to have a segregated account with two signatories and the term "client account" in its name is sufficient. In the event of an insolvency of the intermediary, the funds would be identifiable and not mixed with the intermediary's funds. I would not want to see a distinction between Underwriting Agencies (insurers funds) and where funds may be deemed clients funds. The Draft Regulations do not appear to make this distinction however. The Regulations 11.1 requiring reconciling monthly seems onerous. *Checked by a different individual and reconciler and checker must evidence their work.. minimum of 15 business days between reconciliations, Authority must be notified if the reconciliation has not been undertaken etc*. This all seems to be getting the Authority involved in too much detail. Across our small client base of basically three clients (subdivided into different policies with amounts being due from different operating divisions within the client) we have in a 12 month period approximately 50 transactions as many of the policies will be paid in instalments. We keep close track on these and maintain an aged debtor analysis. Many of these instalments are paid late and need to be chased, when all amounts from different divisions has been collected into the one instalment due, the whole is then paid to the placing brokers. Prescribing complicated methods of reconciling the client account may make the whole process very difficult. I would favour a simple overarching provision that quarterly reconciliations need to be carried out by an intermediary sufficient to reconcile client balances. Item 9.2 a) requires the client account to be on the Isle of Man. This is not always easy to achieve, as a number of banks on the Isle of Man do not want to operate client accounts and others may not want to deal with clients from certain territories (eg Russia). I believe that a Regulated bank in reasonable jurisdictions (to be defined) would be appropriate.	Regulation 12 – a monthly reconciliation must be carried out of all client accounts on the same day, and completed and checked promptly by another individual. Any issues with the reconciliation of the client account must be notified to the Authority. Regulation 13 – clients should know whether or not interest is to be applied to the money held. The rest of the information is to give proper legal effect to the provisions and ensure that the money is held in statutory trust. The draft Regulations will be qualified to say "unless otherwise agreed by the Authority in writing".

	Item 10.3.c) rather than say pay to a bank account in the policyholders own name, it may be better to say "an account nominated by the insured entity". Sometimes our policyholder is xyz Group, subsidiary and Associated companies. As long as the MD of the Group nominates a group company for example its main hubs in Dubai or Singapore, we would suggest that this is sufficient (with suitable CDD on the recipient entity).	It is proposed that we remove the wording "or into a bank account in the policyholder's own name". In the situation described, the client money would be allowed to be paid to a group company under the wording at 10(3)(b) as long as it is properly required for payment to or on behalf of a policyholder.
	Our procedure with regards clients and their money is as follows. We provide quotes to the client and obtain a firm order. We confirm this to the client and our partner broker in London who then confirm the cover has been bound with the insurer(s) and issues a debit note to PIB. In turn, we issue a corresponding debit note to the client. On receipt of the premium from the client into our designated client account, we pay across the relevant agreed premium and their portion of the brokerage and/or fee to our London broker and transfer the PIB portion of the brokerage/fee to our trading account. The Regulations 11.1 requiring reconciling monthly seems unnecessarily onerous for a small firm like PIB with relatively few clients. This includes "Checked by a different individual and reconciler and checker must evidence their work.. minimum of 15 business days between reconciliations, Authority must be notified if the reconciliation has not been undertaken etc". Prescribing complicated methods for reconciliation for our small client base would appear to be too much detail. I think a more reasonable approach would be quarterly reconciliations need to be carried out by an intermediary sufficient to reconcile client balances.	As above
	We believe that maintaining a separate account for client monies is sufficient and adequate for our needs.	Noted
	It is our belief that the proposed client money requirements will cause difficulty for both ourselves and other local intermediaries. It is our view that the segregation of client's funds (no risk transfer agreement) and insurer monies	If all money is treated as client money this would be sufficient and the monies would not need to be segregated.

	(with risk transfer) will create an unnecessary administrative and accounting burden on our company. Given that we currently reconcile our "clients' accounts" on a monthly basis. We do not feel a further segregation is required or indeed appropriate as we treat all funds held to the same high standards and requirements as you are proposing for "client monies". Furthermore, we don't believe that current I.T. systems available to the intermediary market are sophisticated enough to achieve this separation of funds.	
	No Manx banks will maintain or open an account for our business, hence the Company would be unable to comply with clause (2) (a) of Section 9. Client Money, of the draft Regulations. We can only suggest that the Authority qualifies the regulations in this situation.	As above, the regulations will be qualified to say "unless otherwise agreed by the Authority in writing".
	Welcome the definition of client monies and no other comments to make at this time.	Noted
Question 14	Professional Indemnity Insurance ("PII")	
	We have no issue with these proposals.	Noted
	Yes this looks fine, but the annual return says "State the limits…and the rationale for those limits in place". Stating the rationale may be very difficult. Even a small book of business may have combined aggregate limits that are very high. If an intermediary did something to jeopardise cover on all of them (didn't pay the premium taking a simple example), the exposure may aggregate to tens of millions of pounds. It would not be possible to purchase PI cover that is sufficient for the worst case scenario. A rationale may be more likely to be that a limit is economically affordable and most likely to be deemed as acceptable to clients. The regulations should set a minimum level and if it is not comfortable for intermediaries to calculate its own PII requirement, then they should set a higher level. However, there needs to be some consideration of the commercial reality in running a business of this type. Stating the rationale should be taken off the annual return I believe.	The level of PI cover should be reflective of the type of business. An intermediary should be able to document its thought process when selecting a level of cover that it believes is appropriate for its business.
	In principle this makes sense, however stating the rationale for the limits and deductibles may be very difficult. A small book of business may have significant combined aggregate limits, which would suggest the requirement for higher levels of indemnity. I wonder how one could realistically purchase adequate PI cover for the worst case scenario.	As above

	A more reasonable approach may be to buy a limit is economically affordable and deemed acceptable to clients. I would suggest that the Regulator set a minimum level and if an intermediary is not comfortable with that limit, it should buy a higher level. I would recommend removing from the annual return the requirement for intermediaries to state the rationale for the PI limit of indemnity they buy.	
	The level of PI cover should be reflective of the type of business an intermediary transacts as pure personal lines brokers will obviously have a lower exposure than a broker who advises on mainly professional risks such as PI and D&O. We feel that a broker should be required to justify the level of cover that have opted for and that it should be a requirement that the actual policy is placed by another firm, not the intermediary themselves.	We agree that the level of PI cover should be reflective of the type of business an intermediary transacts and that a broker should be required to justify the level of cover. Whilst we appreciate the benefits of having the policy placed by another broker, we believe that this requirement would not be proportionate for the market. We also believe that an intermediary should be capable and professional enough to be able to place its own PI cover.
	We consider the Authority's approach to the provision of PII insurance to be both adequate and well thought out.	Noted
	We consider the Authority's approach to the provision of PII insurance to be both adequate and well thought out.	Noted
Appendix 1	General Insurance Intermediaries (Conduct of Business) Code 2017	
6	**Fair and reasonable behaviour** – need to allow for social media, emails we open our office for clients from 8.45 weekdays.	Communication via email or social media that people choose to access whenever they want does not need to be caught within this requirement. It has been clarified that this requirement is specifically in relation to contacting people by telephone.
9	**Product information –** This does not align with FCA and creates a significant regulatory advantage for the FCA exemption. We believe UK contract certainty rules should be mirrored to avoid regulatory disadvantage for Manx firms.	The Authority believes that this requirement is in line with the FCA's implementation of the IDD requirements. We are not aware of any requirement that is contradictory to the contract certainty principles, which are not set out within regulatory legislation.
10	**Not withhold any documentation**? With motor insurance there can be a situation that arises where a client defaults in payment for the policy, the policy cancels and the client requests the proof of bonus in order to go to another provider but without paying any outstanding invoices. It is normal in these circumstances to withhold the bonus until outstanding invoices are settled. Insurers would also not release this document until invoices are settled.	If the insurer has not released the documentation to the intermediary for onwards transmission to the policyholder then the intermediary would not be deemed to be withholding documentation under this requirement.

12	**Advertising** (2) – Radio adverts exemptions – would like the same conditions as class 2 licenceholder Rulebook 6.13 for general insurance brokers.	The Authority believes that the reference to the regulator on radio adverts for insurance intermediaries is important when compared to other regulated activities. It is more common for insurance intermediaries to use radio advertising because of the nature of their clients. In addition, it is one of the consumer protection measures that makes it clear to clients whether the intermediary is local or operating on a cross border basis. Therefore, the Authority will not be extending this exemption.
Appendix 2	Insurance Intermediaries (General Business) Regulations 2017	
6(5) – notify the Authority of any claim exceeding £10,000 on its PII	Will this include FCA broker otherwise it would encourage off Island FCA exemption. Doesn't address sales here from brokers who are not "in or on" and slip through this net. We would like to discuss this as we have run out of time to fully consider this and may have misunderstood.	This requirement would not apply for FCA intermediaries that are exempt. It is useful information for the Authority to understand the quality of advice being provided by an intermediary.
7	Closing an Isle of Man regulated insurance company has become very difficult as its Directors have to demonstrate that no claims can be possibly made against the company in respect of any policy ever written. It seems that there is a risk that being asked to include a winding- up plan could mean that the Authority could impose very difficult provisions to deal with. In fact, most brokers will work for a 12 month period for a fee or brokerage. But what about claims handling provisions for an intermediary dealing with long term business? This also cross references to item 7.8 (keeping of records). If we only kept them for six years, then it is possible that we would never be able to deal with the question of long tail business and how to evidence there is no further obligations on an intermediary. That having been said, I think records should be allowed to be retained in electronic format for 6 (or the prescribed number) of years. Books rather implies that we need to keep the hard copies as well. If a general insurance intermediary ceases its business, but needs to be kept running to allow any possible claims to be made against it for 6 years, I believe this would be a barrier to new entrants coming to the Isle of Man, particularly if it was required to continue paying a FSA fee, engaging NEDs and incurring the cost of an annual audit. I think the process of closing companies of this type	The Authority already has guidance which is issued to intermediaries that want to cancel their registration. This will form a basis for a formalised winding up plan, which will include: - a written declaration confirming that all insurers (for whom the intermediary acted) have been notified of the intention to surrender the registration; - Notifying the Authority of the steps taken to advise its clients of the intention to cease providing intermediation activities and the advice as to how they can make alternative arrangements (or what alternative arrangements have been made in relation to their policies); - whether there are any unresolved or undischarged complaints against the intermediary, and if applicable, details of the steps taken under the intermediary's complaints procedures and an explanation of the arrangements made for the future consideration of any such complaints; - whether the intermediary has taken the precaution of triggering the automatic extended reporting period in

	should be easier. It may be that we could be required to close a company in a way that it could be resurrected if the need arose within a 6 year period. (I can't remember the difference between a dissolution and liquidation, but believe one of them allows a company to be resurrected in this way).	relation to its professional indemnity insurance arrangements, and if this has not been done, the rationale behind the decision for not doing so; - submission of satisfactory audited financial statements will normally be required as part of the surrender process; - in terms of records, the requirement is to hold them for *at least* 6 years. If you need to hold these longer to deal with long tail business then that would be appropriate. Records in electronic format would be acceptable as long as they provide legible accurate, verifiable, timely, complete and comprehensible information.
7	I think a winding- up plan is sensible and that run off PI insurance should be bought for a 6 year statutory period. In practise, I would think in most instances, the book of business would be sold to another broker. The terms of the SPA between the seller and purchaser would deal with the keeping of records for the 6 year period, and I think records should be allowed to be retained in electronic format for the prescribed 6 years. What would be required with regards the annual FSA fee, engagement of NED's and cost of annual audit?	As above. Once a registration is cancelled the regulatory requirements would no longer apply and there would no longer be an annual fee payable.
17	Notification of change of control where the shares are quoted on an exchange within 5 days is probably not practical. If it is a public exchange, the intermediary may not be aware of a change.	The requirement is within five business days *after the intermediary becomes aware* of the transfer.
Schedule	Consider whether civil liability basis would be more appropriate.	This has been considered previously but not all intermediaries would be able to purchase it. The minimum regulatory requirements are set out in the draft Regulations but intermediaries should purchase more if they consider it is appropriate for their business.
Other		
Conduct of business disclosure of information on insurance products to customers	2nd paragraph – emphasis should be on quality – we provide the pro-forma documentation, so who is to decide on quality?	The intermediary should decide. It is acceptable practice to provide the pro-forma documentation but, as you have the relationship with the policyholder and an understanding of their needs, you should understand whether the information within the pro-forma is suitable for them to understand the essential provisions and any restrictions and exclusions that may be pertinent to them.

	We follow the instructions laid out by our insurers and binding authorities on the issue of all client documentation.	It is unclear whether this causes an issue with the wording proposed within the Conduct of Business Code.
Cross border services	In this area, we have grave concerns about the Authority's ability to avoid placing local intermediaries at a distinct disadvantage to the rest of the market. How can the Authority possibly impose rules and regulations on large online providers who market their products in national newspapers and on TV etc. Surely the overriding principle here should be to create a "level playing field" not disadvantage the local market by imposing an additional level of bureaucracy and legislation that the online and "off island" providers are not subject to.	The Authority would not be aiming to impose rules and regulations on large online providers who market their products in national newspapers and on TV; however, due to the strong feedback to the discussion paper (DP16-07) in this area the Authority has undertaken to look at the issue of intermediaries actively targeting Isle of Man customers (i.e. using local radio/newspapers/advertisements on buses). It is anticipated that the Authority will consult on this topic in Q1 2018.