

Chapter 28

Insurance distribution: specific knowledge, ability and good repute requirements

28.3 Good repute

Good repute requirements

- 28.3.1** **R** A firm (other than a *connected travel insurance intermediary*) must ensure that all the *persons* in its management structure and any staff directly involved in *insurance distribution activities* are of good repute. [Note: article 10(3) paragraphs 1 to 3 of the *IDD*]
- 28.3.2** **G** This includes but is not limited to those natural persons:
- (1) that are directly involved in *insurance distribution activities*; or
 - (2) within the management structure responsible for *insurance distribution activities*; or
 - (3) within the management structure responsible for any staff directly involved in *insurance distribution activities*.
- [Note: article 10(3) paragraphs 1 and 3 of the *IDD*]
- 28.3.3** **R** An *IDD ancillary insurance intermediary* must ensure that natural persons working in the *firm*, responsible for *ancillary insurance distribution activities*, are of good repute.
- [Note: article 10(3) paragraph 4 of the *IDD*]
- 28.3.4** **R** In considering a *person's* repute the firm must at a minimum ensure that the *person*:
- (1) has a clean criminal record or any other national equivalent in relation to serious criminal offences linked to crimes against property or other crimes related to financial activities; and
 - (2) has not previously been declared bankrupt,
- unless they have been rehabilitated in accordance with national law.
- [Note: article 10(3) paragraph 1 of the *IDD*]
- 28.3.5** **G** (1) In the *United Kingdom* the following *persons* will be considered to have been rehabilitated:

28.3.6

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A *firm's* systems and controls should enable it to satisfy itself of the suitability of anyone who acts for it (see ■ SYSC 3.2.13G and ■ SYSC 5.1.2G). This includes, among other things, the assessment of an individual's honesty.

(a) in relation to a serious criminal offence, where the conviction is considered 'spent' under the Rehabilitation of Offenders Act 1974;

(b) in relation to bankruptcy, where the bankruptcy has been discharged.

(2) References to "serious criminal offences" are not restricted to offences considered to have been committed in or under the law of the *United Kingdom*.

(3) A *firm* should give particular consideration to offences of dishonesty, fraud, financial crime or other offences under legislation relating to banking and financial services, companies, insurance and consumer protection.