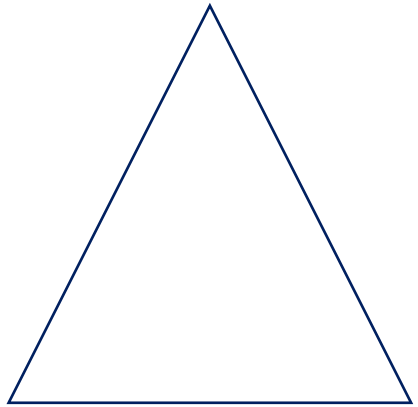
LM2 LEARNING OUTCOME 6

6 QUESTIONS

LEARNING OUTCOME 6 Understand insurance intermediation in the London Market

LAW OF AGENCY

- ✓ By agreement
- ✓ By ratification
- ✓ By necessity



TYPES OF INTERMEDIARIES

- ✓ Wholesale broker
- ✓ Retail broker
- ✓ Producing broker
- ✓ Single tied agent
- ✓ Multi-tied agent
- ✓ Independent intermediary
- ✓ Surplus lines broker
- ✓ Open market correspondent
- ✓ Lloyd's broker
- ✓ Non-Lloyd's broker

LEGISLATION RELATING TO INSURANCE CONTRACTS

- ✓ Reviewing the client's needs
- ✓ Putting together MRC to obtain quotes
- ✓ Reviewing quotes with the client
- ✓ Finalising the placement
- ✓ Compiling documentation for submission to Xchanging
- ✓ Requesting premium from their client
- ✓ Submitting documentation to Xchanging
- ✓ Making changes to the risk

CLAIMS PROCESS

- ✓ First advice
- ✓ Expert instructions
- ✓ Further updates
- ✓ Negotiation
- ✓ Settlement
- ✓ Recoveries/subrogation

TERMS OF BUSINESS AGREEMENTS (TOBAs)

- ✓ Insurer TOBA with a broker
- ✓ Broker TOBA with a client

BROKER REMUNERATION

- ✓ Flat fee
- ✓ Commission or brokerage
- ✓ Other fees/commissions

EU LEGISLATION AND UK REGULATION

- ✓ Insurance Distribution Directive (IDD)
- ✓ Client Asset Rules (CASS)
- ✓ Data Protection Act 2018 and the General Data Protection Regulation (GDPR)