



NFU Mutual

Becoming an appointed representative



Becoming an appointed representative?

Being an **appointed representative (AR)** of an authorised firm (*the principal*) is an exemption to the requirement of being authorised by the FSA to carry on regulated activities.

NFU Mutual acts as your Principal and is the firm that is FSA authorised.

What does being an AR mean?

Your Agency is an appointed representative of NFU Mutual. This means that NFU Mutual will accept full regulated responsibilities for ensuring that you as our AR comply with FSA regulation. There is a written contract (*or Agency Agreement*) between the Principal and the AR documenting this arrangement.

NFU Mutual's responsibilities include:

- ensuring our own business, and our AR(s)'s business(es), complies with the relevant regulatory requirements;
- keeping the FSA notified of who our ARs are; and
- reporting to the FSA, where appropriate, on our activities and those of our ARs.

NFU Mutual's supervisory responsibilities:

At all times NFU Mutual must have adequate controls and resources to ensure that our AR(s) are fully compliant. For example, NFU Mutual is responsible for ensuring that our AR(s) at the time of appointment and on an ongoing basis are:

- 'fit and proper' to deal with clients;
- able to deliver the same level of protection to clients as if clients had dealt with NFU Mutual itself and if the AR is not, NFU Mutual must provide that protection itself; and
- solvent, suitable and without close links which would be likely to prevent the effective supervision of the AR(s) by NFU Mutual.





The AR's responsibilities include:

- understanding and complying with the regulatory requirements relevant to the business you carry on for NFU Mutual;
- providing NFU Mutual with access to staff, premises and records to enable us to carry out our supervisory responsibilities; and
- ensuring the AR has the relevant approved person(s), where this is required. (*See our leaflet on 'becoming an approved person'*)

If you have a query about the regulatory requirements relating to the regulated activities you are carrying out for NFU Mutual, this query should be directed, in the first instance to NFU Mutual via your Area Manager or Development Manager.

How do I become an appointed representative?

Step one: consider which regulated activities you carry out

	General insurance contract
Arranging deals – pre contractual activities	
Advising	
Dealing as Agent – concluding contracts	
Assisting in the administration and performance of a contract	

Step two: what contracts will you need to have in place?

To be an AR you must enter into a written contractual agreement (*our Agency Agreement*) with NFU Mutual. This will cover:

- arrangements to enable both you and NFU Mutual to fulfil our regulatory duties; and
- other commercial arrangements.

The precise terms of the commercial arrangements you make with NFU Mutual are laid out within the Agency Agreement. Should you have any queries about this then you will need to discuss these in the first instance with your Area Manager or Development Manager.

Step three: notification of AR arrangements?

NFU Mutual must notify the FSA who our ARs are. This information is then put on the FSA Register which is available to the general public, via the FSA website, to search for all firms, individuals and other bodies carrying on regulated activities. Where the AR is required to have approved persons, NFU Mutual will apply for approval of these individuals. If such an arrangement is terminated, we will notify the FSA.



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FSA Principles of Business

The FSA have 11 Principles that are general statements of the main regulatory obligations that apply to every authorised firm. The Principles are set out in simple terms and are the high level standards that all firms must meet.

1. Integrity

A firm must conduct its business with integrity.

2. Skill, care and diligence

A firm must conduct its business with due skill, care and diligence.

3. Management and control

A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.

4. Financial prudence

A firm must maintain adequate financial resources.

5. Market conduct

A firm must observe proper standards of market conduct.

6. Customers' interests

A firm must pay due regard to the interests of its customers and treat them fairly.

7. Communications with clients

A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.

8. Conflicts of interest

A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.

9. Customers: relationships of trust

A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgement.

10. Clients' assets

A firm must arrange adequate protection for clients' assets when it is responsible for them.

11. Relations with regulators

A firm must deal with its regulators in an open and co-operative way and must disclose to the FSA anything relating to the firm of which the FSA would reasonably expect notice.