

Solicitors Regulation Authority
199 Wharfside St
Birmingham
B1 1RN



20 November 2017

By email: idd@sra.org.uk

Dear Sirs

Implementing the Insurance Distribution Directive (IDD)

We are grateful for the opportunity to respond to this consultation. We are content with the revised rules, and believe that they are not overly onerous. Indeed, the position set out in the rules is not vastly different to the present situation, and most firms will already be compliant or will require little change to their behaviour to continue to be compliant.

Information requirements

It is right that solicitors should be completely transparent about insurance arrangements made on behalf of their clients. We suggest that the requirement that firms must disclose, before the conclusion of a contract of insurance, if they have 10 per cent or more voting rights or capital in an insurer, or an insurer has 10 per cent or more voting rights or capital in the firm¹, should be widened to reflect the current legal services climate. This rule should be widened to encompass a requirement that firms should declare if they are part of an Alternative Business Structure (ABS) with an insurer, before concluding a contract of insurance. While solicitors involved in ABS' may not have 10 per cent voting rights or capital in an insurer, the structure of the ABS will mean that the firm jointly owns a company with insurers. Clients deserve to know whether their solicitor is involved with a certain insurer, as this will almost certainly affect which insurance services are recommended to them.

We hope that our comments prove useful to you. If you have any queries in relation to our response, please do not hesitate to contact Alice Taylor on alice.taylor@apil.org.uk.

Yours faithfully

A handwritten signature in black ink, appearing to read "Alice Taylor".

Alice Taylor

Legal Policy Officer

¹ Draft Amended SRA Financial Services (Conduct of Business) Rules 2001, Appendix 1, rule 2(d) and (e)

