

2. LIFE CYCLE OF PRODUCT

2.1 Product Design/Development

As above, TCF responsibility commensurate to the managing agent's responsibility in relation to the product design and development:

e.g. XYZ Managing Agent Ltd develops XYZ motor cover for mature drivers (to be distributed by XYZ service company) = high TCF responsibility for the managing agent

e.g. ABC Broker Ltd developing specialist caravan cover for placement with number of syndicates = low TCF responsibility for the managing agent

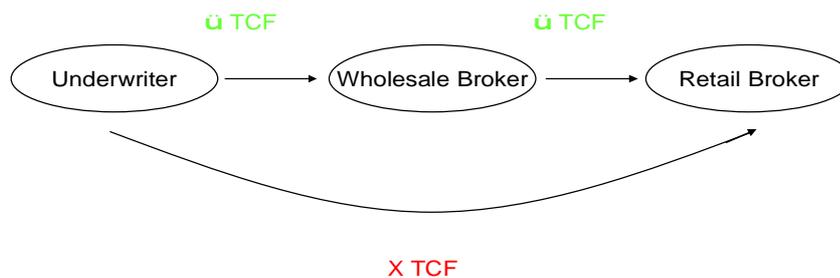
2.2 Product Sale

TCF concerned with communication in relation to product.

Communication to client will generally be governed by ICOBS.

Consideration required to sufficient TCF communication throughout distribution chain.

Generally reliance can be placed on each entity in distribution chain, on the basis that they are also a regulated entity BUT TCF responsibility cannot be discharged purely by communicating to next intermediary in chain.



N.B. The Underwriter's responsibility extends to the wholesale broker but generally does not extend to the retail broker, **However**, If management information indicates that there are TCF failures later in the chain then the managing agent will be expected to take corrective action

3. MANAGEMENT INFORMATION

Managing agents should risk assess their business against the 6 TCF Outcomes in light of the above principles (i.e. scale of responsibility/product design responsibility/distribution chain responsibility). The TCF Management Information ('MI') should be proportional to the risk assessment undertaken

Most TCF MI is likely to be existing MI collated by a managing agent which should be mapped to the 6 TCF Outcomes and the managing agent's risk assessment.

Examples of TCF MI for Managing Agents

N.B. Management needs to decide what constitutes effective quantitative and qualitative TCF management given the size, nature and complexity of the business being written; It is not sufficient to just produce the (quantitative) TCF MI without analysis (qualitative) i.e. a firm should ensure it understands the TCF MI produced and, where considered necessary/relevant, carry out root cause analysis in areas such as complaints and claims rejections for example.

TCF Outcome	TCF MI
<i>Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture</i>	<ul style="list-style-type: none">• Corporate Codes of Ethics• TCF Training records• Consolidated TCF reporting to appropriate body e.g. Board/Audit Committee• Job descriptions for relevant staff
<i>Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly</i>	<ul style="list-style-type: none">• Claims stats (e.g. Declinatures)• Complaints stats• Product feasibility studies• New product governance• Delegated Authority Procedures (Audit Reports etc.)• Retention rates• Consumer satisfaction surveys (where appropriate)
<i>Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale</i>	<ul style="list-style-type: none">• Claims stats• Complaints stats• Delegated Authority Procedures (Audit Reports etc.)

- Retention rates
- Contract Certainty
- Consumer satisfaction surveys (where appropriate)

Where consumers receive advice, the advice is suitable and takes account of their circumstances

- Claims stats
- Complaints stats
- Delegated Authority Procedures (Audit Reports etc.)
- Retention rates
- Consumer satisfaction surveys (where appropriate)

Consumers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and as they have been led to expect

- Claims stats
- Complaints stats
- Delegated Authority Procedures (Audit Reports etc.)
- Retention rates
- Consumer satisfaction surveys (where appropriate)

Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint

- Claims stats
- Complaints stats
- Delegated Authority Procedures (Audit Reports etc.)
- Retention rates
- Consumer satisfaction surveys (where appropriate)