

## Jensten Underwriting - Multiple-occupancy buildings insurance disclosure

### What's new?

On **29 September 2023**, the Financial Conduct Authority ("FCA") confirmed new measures to give new rights and protections for residential leaseholders to improve transparency and disclosure in the residential multi-occupancy buildings insurance market which will come in force on **31 December 2023**.

### What does this mean?

The FCA proposed four changes in CP23/8 that it wanted to bring about in the market, which were:

1. the interests of residential leaseholders (and others in similar positions) are properly considered when firms design their products;
2. prices are fair value to residential leaseholders as well as freeholders;
3. remuneration of all parties involved in insurance distribution has a fair relationship to the benefits provided to residential leaseholders; and
4. residential leaseholders have sufficient information to challenge poor practices and unfair costs passed on to them.

### What do firms need to do?

The Insurance Conduct of Business Sourcebook rules have been changed to incorporate section 6A.7 "Disclosure requirements for multi-occupancy buildings insurance", we have reviewed the products that we distribute and can provide the following key information about the product and services which need to be provided to Leaseholders:

Disclosure for Leaseholders	Key Information/Where this information can be found
<b>Summary of Cover</b>	
Name of the insurance undertaking and its regulatory status	This is available within the Policy Wording
Type of insurance	This is available within the Policy Wording and Insurance Product Information Document
Main risks insured	This is available within the Policy Schedule in conjunction with the Policy Wording
Summary of excluded risks	This is available within the Policy Wording and Insurance Product Information Document
The insured sum, together with (a) in the case of a flat, the amount for which the building containing it is insured under the policy and, if specified in the policy, the amount for which the flat is insured under it, and (b) in the case of a dwelling other than a flat, the amount for which the dwelling is insured under the policy	The total sum insured of each location insured is available on the Policy Schedule
Excesses	This is available within the Policy Schedule & Policy Wording
Term or duration of the policy including the start and end dates of the contract	This is available within the Policy Schedule
Exclusions where claims cannot be made	This is available within the Policy Wording and Insurance Product Information Document
Significant features and benefits	This is available within the Insurance Product Information Document
<b>Pricing Information</b>	
Amount of insurance premium tax	This is available within the Policy Schedule
Amount of value added tax	This is not applicable to our products
<b>Remuneration Information</b>	
Total commission that the firm and any associate receives	The maximum commission that we can achieve from our product suite is 38% of the insurance premium, this includes an element of work transfer to cover costs associated with product manufacture normally undertaken by the insurer
Administration fee	This is available within the Policy Schedule
Any remuneration or other financial incentive offered or given by the firm to any third party including the freeholder or anyone acting on their behalf	The maximum commission that is available to our distributors from our product suite is 30% of the insurance premium
<b>Other Information</b>	
Placement & Shopping around information	The number of alternative policy quotes obtained for the policy holder
Conflicts of interest information	Disclosures in accordance with ICOBS 6A.7.3R(2)(e)

Your obligation under the FCA directive is to provide this information to Leaseholders for each applicable policy. Where a Leaseholder contacts us directly for this information we will direct them back to you. If you require any additional clarification please speak to your usual Jensten Underwriting contact.