**EXAMPLE ONLY - Statement of Responsibilities - Core Firms (General Insurance) – PLEASE ENSURE THAT THIS IS TAILORED TO YOU/YOUR FIRM**

**Senior Manager’s Name ………………………………..**

**Date/Version …………………………………….**

**A. Senior Management Functions (SMFs)**

Insert the applicable SMFs from Table A

|  |  |  |
| --- | --- | --- |
| **Senior Management Function** | **Description of SMF** | **Effective Date** |
|  |  |  |
|  |  |  |

**B. Prescribed Responsibilities (PRs)**

Insert the applicable PRs from Table B

|  |  |  |
| --- | --- | --- |
| **Reference** | **Prescribed Responsibility** | **Is the PR shared? Yes/No** |
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|  |  |  |
|  |  |  |
|  |  |  |

**C. Shared Prescribed Responsibilities**

Repeat any shared PRs and provide further relevant information using the guidance in Table C

|  |  |  |
| --- | --- | --- |
| **Reference** | **Prescribed Responsibility** | **Further Relevant Details** |
|  |  |  |
|  |  |  |

**D. Other Responsibilities (ORs)**

Insert details of Other Responsibilities using the guidance in Table D

|  |  |  |
| --- | --- | --- |
| **Reference** | **Other Responsibility** | **Is this OR shared? If “Yes” provide further relevant details.** |
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**Table A - Senior Management Functions (SMFs)**

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| --- | --- | --- |
| **SMF Reference** | **SMF Description** | **FCA Explanatory Notes** |
| SMF1 | Chief Executive | The person with responsibility, under the immediate authority of the governing body, for the conduct of the whole of the business. Although the most senior member of the executive team, specific responsibilities can still be allocated to other Senior Managers |
| SMF3 | Executive Director | A director of a firm other than a Non-Executive Director |
| SMF27 | Partner | A partner in a firm (other than a partnership registered under the Limited Partnership Act 1907) |
| SMF9 | Chair | The person with responsibility for chairing and overseeing the performance of the role of the governing body of the firm. |

**Notes**

1. For Core Firms generally there are two other SMFs – SMF16 (Compliance Oversight) and SMF17 (Money Laundering Reporting Officer) but these do not apply to General Insurance Intermediaries whose only permissions are only for Insurance Distribution.

2. Non-Executive Directors do not need to be approved for SMFs unless they hold the role of Chair and then SMF9.

3. Senior Managers can hold more than one SMF, e.g. CEO and Executive Director.

**Table B – Prescribed Responsibilities (PRs)**

|  |  |
| --- | --- |
| **Handbook Reference** | **Prescribed Responsibility** |
| (a) | Responsibility for the firm’s performance of its obligations under the Senior Manager’s regime |
| (b) | Responsibility for the firm’s performance of its obligations under the Certification Regime |
| (b – 1) | Responsibility for the firm’s obligations for:a) Conduct Rules training b) Conduct Rules reporting |
| (d) | Responsibility for the firm’s policies and procedures for countering the risk that the firm might be used to further financial crime |
| (z) | Responsibility for the firm’s compliance with CASS (if applicable) |

**Notes:**

1. All of these PRs need to be allocated amongst the Senior Managers although some senior managers need not have any allocated to them. Firms should avoid allocating too many PRs to one manager if they are not able to carry out these responsibilities effectively.

2. Most Insurance Intermediaries are subject to CASS (unless clients pay the Insurers directly) even if client monies are held in Risk Transfer accounts.

3. Each PR should be given to the Senior Manager who is the most senior person responsible for that activity or area.

4. The FCA say that each PR should normally be held by only one person. Firms can only divide or share a PR in limited circumstances where they can show that it is appropriate and justifiable. This could include:-

- As part of a job share;
- As part of a hand-over/transitional period;
- Where a particular area of a firm is run by two Senior Managers \*

\* The Handbook Guidance SYSC 24.3.9 G says “A firm may have co-heads of a department or business unit if this can be justified.”

**Table C – Shared Prescribed Responsibilities (SPRs)**

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| Where SPRs are divided or shared between two or more senior managers, the statement of responsibilities for each SMF manager should:-(a) explain why this has been done; and(b) give full details of the arrangements, including the names of the other persons and their FCA Individual Reference Numbers (IRN) (if known).This should be shown in the column “Further Relevant Details”. Examples given by the FCA in their Guidance include:- |
| “This responsibility is shared with Name (IRN12345) who is the departing CEO, as part of the handover”This is described as good practice as it is clear and the rationale is explained. | “All directors share the Prescribed Responsibilities as they take collective responsibility for this area”This is described as poor practice as SMF managers do not have clear individual accountability. It is not clear what parts of the business the person is responsible for as Executive Director. |

**Table D – Other Responsibilities (ORs)**

“Other Responsibilities” are the main aspects of the business for which the senior manager is responsible if these are not otherwise clear from the Senior Management Function or the Prescribed Responsibilities.

As for SPRs, if the OR is shared then similar explanatory details should be provided in the “Further Details” column.

The FCA has not provided any examples of ORs for Insurance Intermediaries but based on their examples for other sectors some possible ORs are shown in the tables below.

**N.B. This is not FCA Guidance**

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| **Small Brokers/Intermediaries** |
| **Title** | **Details of the Other Responsibility** |
| Insurance Broking  | **Sole Director**Responsible for all aspects of the business including:-- Business Strategy/Planning- Business Development- Risk Management including Conduct Risk/TCF- Finance/Accounting- Marketing/Advertising- Insurance Sales and Administration- Complaints handling- Human Resources- Training & Competence- Systems & Controls- Product Oversight & Governance- Compliance monitoring including: - FCA - Financial Crime - Data Protection- IT systems- Office Premises/Facilities | **Joint Directors** Responsible jointly with other directors for:*Enter details of the areas* And individually responsible for:*Enter details of the areas*  |

|  |
| --- |
| **Medium sized Brokers/Intermediaries** |
| **Title** | **Details** | **Title** | **Details** |
| Strategy & Planning | Responsible for the firm’s Business Strategy and Plans. Includes Business Model; Corporate culture and values; TCF; Resources; Product Lines and strategy; Distribution Channels/Chains; Target markets; Business Revenue targets | Marketing | Responsible for the firm’s marketing and advertising plans and campaigns. Includes market research; determining the marketing channels and media; internet and other e-marketing; financial promotions; compliance of marketing materials and media. |
| Insurance Sales and Administration | Responsible for all aspects of the Insurance sales and advice process. Includes Quotations, New Business, Renewals, Consumer credit and on-going customer service including Complaints and Claims handling. | Finance and Accounts | Responsible for all aspects of the Finance and Accounts function. Includes corporate accounts; customer accounts, FCA Client Money accounts; credit control; budgeting , premium finance; cash-flow monitoring; statutory reporting; external audit. |
| Human Resources | Responsible for all aspects of HR. Includes Recruitment and induction; Contracts of employment; Job Descriptions, Company rules; Remuneration policy; Appraisal systems; Staff records | Training & Competence | Responsible for the firm’s T&C regime. Includes training programmes and plans; e-learning; competency assessments; CPD records; management and supervisory training. |
| Systems and Controls | Responsible for oversight of systems and controls. Includes compliance monitoring; risk management; business continuity; data protection; financial crime; information security; internal audit; whistle-blowing; monitoring of Appointed Representatives; record-keeping; | Compliance and Risk | Responsible for the firm’s compliance and risk regime. Includes formulation of policies and procedures to meet regulatory requirements including FCA, Data Protection and Financial Crime; TCF/Conduct Risk policies; Risk Management and Compliance monitoring as second line of defence; Awareness of and advising the governing body of regulatory developments. |
| Product Development | Responsible for Product Oversight and Governance. Includes setting up and monitoring schemes with Insurers ; Compliance with PROD requirements as a Distributor and/or Manufacturer; Pricing | Facilities Management | Responsible for providing and maintaining the facilities and infrastructure required to support the business. Includes Premises; IT systems; IT resilience and back-up; Telephony.  |
| Committees | Chair and/or member of:EXCO, Audit, Remuneration, Security, etc. committees | Other | Any other significant area of activity for which the SM is responsible. |