



## **Company Name - Regulatory Business Plan**

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## **Executive Summary**

This should be a brief summary of the key points in:

- The regulatory business plan and
- The firms background
- As far as possible this should be in bullet points for ease of reading.

## **1. Background and Business Planning**

### **1.1 Background**

Key points regarding:

- What the firm's main activities are and whether general insurance is a primary or secondary business arm.
- When the business was set up
- How long the company has been in business
- Information regarding the group that the business belongs to if relevant
- General insurance books that have been bought or sold including:
  - Details of sale
  - Names of vendor/acquirer
  - Description of the assets sold or acquired (e.g. goodwill, credit quality, loan to loan value)
  - Description of the procedures followed in selling/acquiring the business.
- Overseas business to be permitted by another regulator
  - Activity
  - Scale of activity
  - Country it or is to be conducted in

- Regulator involved
- Details of any intention to carry on regulated activity in another European country through a branch or cross border service provider.

**1.2 Business Planning** – each point below to be addressed, even though many may be “not applicable”.

- Company’s strategic objectives including:
  - The philosophy and values
  - Why it carries on general insurance business
  - Future strategy, including:
    - Longer term expansion plans, changes to general insurance profile e.g. different products or customer basis.
    - Details of any further regulated activity the firm plans to start in first 12 months after receiving permission e.g. Introducers who may wish to start selling or intermediaries who may want to start handling claims.

## **2. Marketing**

### **2.1 Targeting Customers**

- How customers are targeted e.g. advertising, referrals, direct marketing

### **2.2 Brand Names**

- Current and planned brand names used in respect of regulated insurance activities

### **2.3 Marketing Methods**

- What marketing methods are used to sell products e.g. direct mail, TV advertising
- Involvement of third parties – identify third parties and provide specific details of the nature of their involvement e.g. introducers, claims handlers etc

### **2.4 Marketing Strategy**

- Key components of the marketing strategy and details on how often the strategy is reviewed

### **2.5 Marketing Targets**

- Details of the marketing targets and size of the marketing budget

### **2.6 Customer Feedback**

- What procedures are in place to illicit customer feedback

### **3. Products**

#### **3.1 Current Products**

- Products currently offered

#### **3.2 Historical Development of the Products**

- How the current products were developed and the relative importance of each to the firm's total sales

#### **3.3 Product Development Process**

- Details of the procedures adopted to develop existing products or implement new products

#### **3.4 New Products**

- New products likely to be marketed in the next 6 months

#### **3.5 Customer Needs Analysis**

- Details of how the firm ensures that customers' needs are matched to the product attributes

## **4. Financial Projections**

### **4.1 Financial History**

- Summary information on the key aspects of the balance sheet relating to the last 3 years (e.g. net assets and profit and loss) including key trends and significant features.

### **4.2 Financial Projections**

- Listed in detail for the next 3 years and covering key parts of the balance sheet, profit and loss, capital and liquidity ratios
- Cash Flow forecast for the 12 months following 14 January 2005.
- Key underlying assumptions
- All projection must be supported by the below, with any assumptions made clearly stated:
  - Profit and loss account
  - Balance sheet
  - Capital and liquidity ratios
  - Sensitivity analysis of the key drivers
  - Show how the firm will meet capital requirements and PI requirements

## **5. Personnel and Internal Controls**

### **5.1 Recruitment and Training Policies**

- The policies that are in place to ensure staff at all levels have the relevant experience

### **5.2 Risk Management Systems**

- How risk is identified, measured, assessed and monitored
- Provide details of any risk management system that is used

### **5.3 Non-Executive Director Policy**

- If appropriate (e.g. if you have non-executive directors and/or your annual income exceeds £1m) the FSA have indicated that at least one non-executive director should be appointed with responsibility to manage the firm's business.
- Details of your policy on non-executive directors

### **5.4 Management Structure**

- Responsibilities and authority of senior management
- Personnel structure and reporting lines
- Composition of board members (executive and non-executive)

- Staffing levels in each of the key areas of the business
- Staff training policies – current and proposed
- Provide a structure chart if appropriate

## **Systems and Controls**

### **5.5 Control Environment**

- Explain the control environment to monitor operations – this should include:
  - 1) Main control committees e.g. credit, assets and liabilities, audit, compliance
  - 2) Structure of the main risk control areas e.g. is there a risk management function

### **5.6 Internal Audit Committee**

- Is the firm intending to set up an internal audit committee to oversee the internal audit function – if so details need to be attached

### **5.7 Management Information**

- Details of the procedures in place to ensure that the senior management team have access to the information to ensure effective organisation and informed decision making

- Details of the management information to be provided to the board and senior managers

## **6. Outsourcing and agreements with third parties**

### **6.1 Third Party Agreements**

- Information on any arrangements with third parties, including:
  - 1) How the activity will operate
  - 2) What contingency plans are in place

### **6.2 Outsource Agreements**

- Key business processes that are or are proposed to be outsourced e.g. IT
- Reasons for outsourcing
- Process followed to select the outsource party
- Mechanism in place to ensure satisfactory service levels e.g. service level agreements
- Contingency plans

## **7. Other Information**

### **7.1 Right To Acquire Shares**

- List of individuals with an interest of 10% or more in the right to acquire shares in the firm e.g. share options, warrants etc
- Rights and conditions of when others may exercise rights to shares

### **7.2 Regulation Outside The UK**

- If the firm is regulated outside the UK then it needs to include a declaration that it does not have any objection to the FSA communicating with the Home State supervisor
- If the head office is outside the EEA then the firm should provide details of the classes of business which the firm is authorised to carry out in the country in which its head office is situated

### **7.3 Other Information**

- Anything else that the firm feels is relevant and has not been provided elsewhere