



Gallagher

Insurance | Risk Management | Consulting

# Appointed representatives

## What it means to be an AR

**An Appointed Representative (AR) is a firm that conducts FCA regulated business on behalf of a directly authorised FCA firm, which is its 'Principal'. The 'Principle' firm here is Arthur J. Gallagher Insurance Brokers Limited.**

If you have considered enhancing your client services by becoming directly authorised by the Financial Conduct Authority (FCA) to sell insurance, but may have been put off by the thought of having to manage FCA regulations and compliance, then you may want to consider becoming an AR.

An Appointed Representative (AR) is a firm or person who has a contract with an authorised firm, known as the Principal firm, such as Gallagher, who is directly authorised by the FCA. The Principal firm permits ARs to carry out certain regulated activities under their regulatory permissions.

For companies that are willing and able to comply with Gallagher's strict guidelines and work within our framework, this may be the most suitable alternative to being a fully recognised and FCA registered provider in your own right.

Gallagher will work with you and monitor your activity to ensure you meet the regulatory standards and controls to operate as an AR – in exactly the same way as if you were a colleague employed in our own office.

You could earn commission on new insurance business and renewals and we will work with you to ensure you remain compliant, leaving you more time to dedicate to what you do best and enjoy most - looking after clients and winning business.

If your company is accepted as an AR, there are key benefits for your clients too: from the authority to provide them with appropriate insurance cover to step-by-step guidance through the claims process should the worst happen. It might also help demonstrate your commitment to provide outstanding service and set you apart from your competition.

To find out more about becoming an AR please call **0800 092 9394** or email **UKinfo@ajg.com**

**The relationship that Gallagher develops with its ARs often goes far beyond access to the insurance market. It is a genuine partnership, bound by the same interest: the growth and development of the business in the knowledge that you are compliant and your clients are in safe hands.**

In the broader financial services world, it's an established way of trading, with thousands of individuals and firms operating as ARs, from sole traders to substantial corporate businesses.

As an AR for Gallagher you can do everything we do, subject to the terms and conditions in your AR Agreement and you are exempt from FCA regulations – because Gallagher is your Principal firm and your regulation is our responsibility.

This does not mean that you abdicate all responsibility to be FCA compliant. As an AR you are making a commitment that says you will work with us, in accordance with your AR agreement, to ensure your clients are afforded the same levels of service and protection they would experience if they were a direct client of Gallagher.

### What you can do as an AR\*

- 1 Display and distribute marketing material
- 2 Receive commission for selling and renewing insurance policies
- 3 Effect introductions i.e. share client data with Gallagher
- 4 Administer insurance contracts
- 5 Discuss general insurance with customers
- 6 Offer factual information on insurance products
- 7 Obtain general insurance quotations
- 8 Collect insurance premiums
- 9 Arrange insurance on behalf of customers
- 10 Instruct on cover and mid-term adjustments
- 11 Assist clients with claims, including completion of forms and technical assistance
- 12 Receive claim settlements on behalf of clients

## Authorisation

The Principal is the authorised and regulated entity who permits an AR to carry on regulated activities.

## Control and resource

The Principal must have adequate controls and resource to ensure the ARs are fully compliant and appropriately monitored.

## AR responsibilities

- The AR has responsibility to understand and comply with the regulations.
- Provide the Principal firm access to staff, records and premises to enable the Principal to carry out its responsibilities.

\*Subject to the terms and conditions of individual AR agreement.

For more information call **0800 092 9394** or email

**UKagents@ajg.com**

## Frequently asked questions

### What is an Appointed Representative?

An Appointed Representative (AR) is a firm that conducts FCA regulated business on behalf of a directly authorised FCA firm, which is its 'Principal'. The 'Principle' firm here is Arthur J. Gallagher Insurance Brokers Limited.

As an AR you can do everything we do, subject to the terms and conditions set out in your AR agreement. For example:

- Display and distribute marketing material
- Effect introductions i.e. pass contact information
- Offer factual information on insurance products
- Obtain general insurance quotations
- Arrange insurance on behalf of customers
- Instruct on cover and mid-term adjustments
- Collect premiums
- Assist with claims

### Would you qualify as an AR?

Not every company is successful in its bid to become a Gallagher AR. To ensure we remain FCA compliant, you have to commit to work within a framework and follow the same high standards of behaviour and controls that Gallagher has in place for its own employees. But there are key benefits for you and your customers. As well as the commission you will earn on new business and renewals, as an AR you will be able to provide additional professional services that may not be available from other property management companies in your area.

It can add value to your service, giving your customers access to enhanced services that other property management companies may not offer.

### What insurance products can I sell?

You will be able to sell products that Gallagher sells, subject to the terms and conditions of your AR agreement. All the products we sell are approved products from insurers listed on our Market Security list. Insurers are independently rated by third party credit rating companies to assess if they can meet their financial obligations.

### Do I need to be regulated by the FCA?

No. As an AR you are exempt from FCA regulation in your own right.

We will work with you to ensure that we remain FCA compliant and that you are acting within the scope of your agreement. This includes a useful Compliance Handbook for ARs and a supportive programme of training, supervision and practical monitoring. For example:

- Telephone reviews
- Desk based reviews
- Quality assurance and file review visits
- Compliance review visits
- Online competency training
- Customer satisfaction surveys

### What is meant by cascading risk transfer?

We have negotiated cascading risk transfer agreements with all our insurer partners. This means that, regardless of who issues the policy or takes the payment (the AR, Gallagher or the insurer), the client's premiums are protected as if payment has already been received by the insurer.

### Will I be listed on the Financial Services Register?

Yes, you will be registered as an AR on the Register. Clients who deal with a firm (or individual) that is not regulated may not be covered by the Financial Ombudsman Service or the Financial Services Compensation Scheme if things go wrong.

### What levels of commission can I earn and how often is it paid?

This is subject to the terms and conditions set out in individual AR agreements.

# About Gallagher

Gallagher is one of the world's largest global insurance brokers, risk management services and consulting firms headquartered in Rolling Meadows, Illinois.

Gallagher offers client services capabilities in more than 130 countries around the world through its owned operations and a network of correspondent brokers and consultants.

Gallagher's global operations and partnerships can help you with your insurance, risk management, and consulting needs. Through our international presence, we offer extensive insurance solutions and products worldwide. Working with us means you can access some of the most innovative products and service offerings that are the preferred choice of international businesses large and small.

Gallagher work with a panel of well-known insurers and are trusted to insure more than £15 billion\* pounds worth of property, ranging from just two flats in a converted property to more than 200 in a purpose built block – and every type of block in between.

With Blocks of Flats considered to be commercial property for insurance purposes, it takes specialist knowledge and experience to navigate the often complex property insurance market to find an appropriate level of cover at a sensible price.

Our specialist insurance brokers work with a panel of insurers, many household names, to find an appropriate level of cover. We insure property of standard and non-standard construction, as well as listed buildings. And should the worst happen, our experienced in-house claims team are here to support you and your clients step-by-step through the claims process.

And while many organisations may seek the recognition of their peers, our biggest compliment and endorsement is the 9 out of 10 customers who renew their buildings insurance policies with Gallagher's Bournemouth based block insurance specialists every year\*\*

\* Based on Buildings Declared Values (BDVs) of live policies placed with Gallagher's Bournemouth based team as at 30 January 2022.

\*\*Internal data from 1st January 2021 – 31st December 2021.

Would you like to talk?

**0800 092 9394** or email us

**UKinfo@ajg.com**

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