



# Non Subscription Market Contract Certainty Progress Update

Nick Starling

Wednesday 7th December

# Agenda

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- What has been agreed
- What has been achieved
- Addressing the legacy issue
- Current position
- What we still need to do
- Next steps

**To update FSA in order to provide reassurance that progress is being made towards full compliance by end 2006.**

# What we have agreed

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- Code of Practice revised and reissued
- Checklist for assessing contracts issued
- Guidelines for educating practitioners issued

**These documents alone are not enough.  
Actual support of industry is needed.**

## What has been achieved

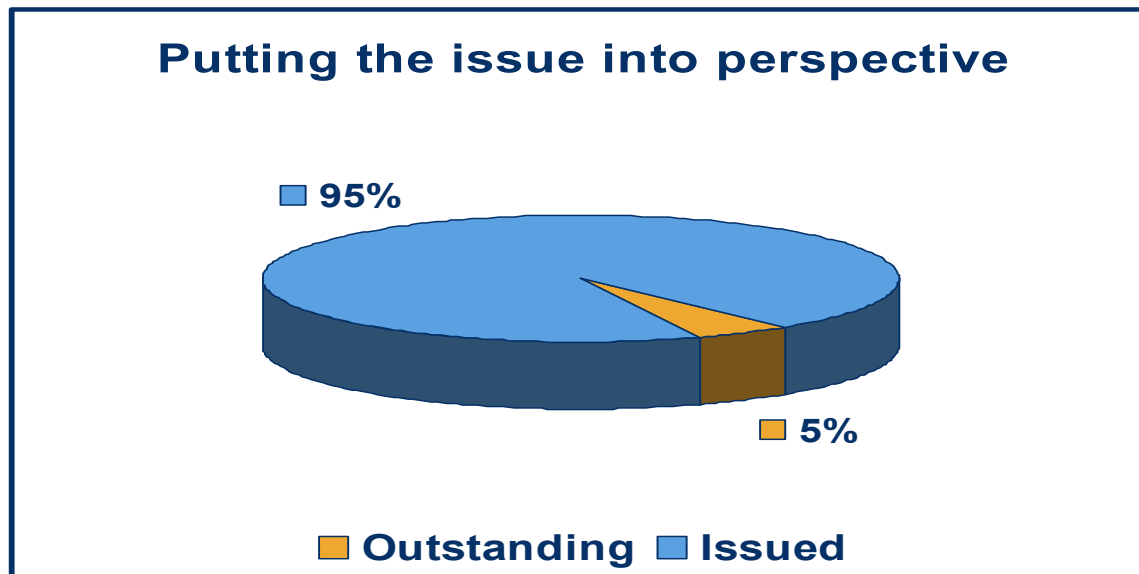
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- Constant focus on the issue through
  - Industry-wide steering group with separate steering groups for London and Non-Subscription Markets
  - Ownership of Contract Certainty at the executive level in individual companies
  - High visibility of Contract Certainty in the market

**Non-Subscription Market working closely with London Market Reform Group to ensure this is managed as an industry issue.**

# Addressing the legacy issue

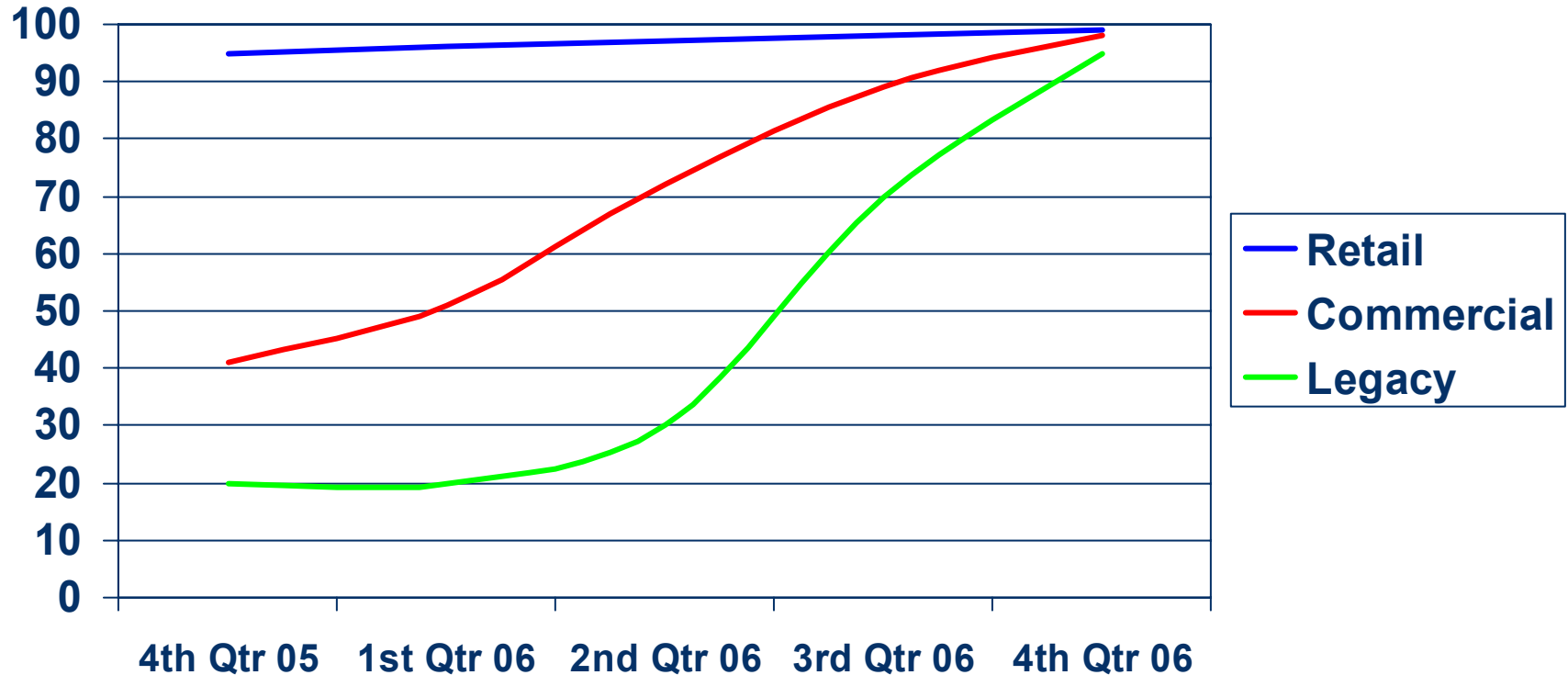
- Guidance to be issued to market
  - get process correct for work in progress
  - address live policies
  - address expired long tail policies
  - address other policies as requested by broker or client



**On track to remediate legacy policies by end of 2006  
with priority given to policies where risk is current.**

# Current position

## Progress towards full compliance



Quarterly reporting will be used to evidence progress.

## What we still need to do

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- Improve transparency around availability of standard wordings
- Build acceptance that bespoke wordings do not always add value
- Issue further effective stakeholder communications
- Produce FAQs and publish to the industry
- Embed processes for addressing legacy issues
- Start the formal monitoring and reporting process

**On going focus is a necessity to ensure this issue does not go "off the boil" in 2006.**

## Next Steps

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- Maintaining dialogue with the FSA
- Ongoing meetings to discuss issues and how they are being addressed
- Quarterly questionnaires to measure progress and enable practitioners to give each other a helping hand
- Continued communication to ensure we reach grass-roots, educate customers & practitioners, and keep the issue current

**Regular “checking the pulse” to ensure the industry is making sufficient progress to meet December 2006.**



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