

# SOLICITORS

# INSURANCE AS A NEW INCOME STREAM

## Frequently Asked Questions



## WHO ARE GAUNTLET?

Established in 1994 the Gauntlet Group is recognised as one of the U.K's most active and forward thinking Independent Commercial Insurance Brokers, Risk Managers and Health & Safety Consultants.

## WORKING WITH GAUNTLET?

We are passionate about delivering our clients an unparalleled level of service and value, striving to build the kind of relationships that keep our customers coming back year after year.

We have a lot of experience working with solicitors and accountants to help them to extend the service offering to their clients by adding the provision of an insurance placing facility.

Because it is essential that your business is 'fronted' by a suitably experienced and qualified insurance professional, we will work alongside you to find the right person, giving them training and support in our systems and procedures and providing them with all the back-up they need to build a successful insurance business.

As well as prospecting for new business and ensuring your clients receive the correct levels of cover, you will be given full control of your clients' servicing needs and be expected to maintain and build on the relationships that you create.

You will be given the tools you need to write an on-going business plan, and you will be encouraged to achieve agreed targets and deadlines.



## HOW WOULD THE FCA VIEW MY INSURANCE BUSINESS?

Initially you would be working under our FCA approvals as an Appointed Representative of The Gauntlet Group but if your business developed to a sufficient scale you may consider seeking your own approvals from the FCA to trade as an Insurance Broker in your own right.

We will give you all the guidance and support you need along the way to ensure that your business remains compliant and also, should you wish, to progress to Insurance Broker status with your own FCA Approvals in due course.

### EXISTING INSURANCE BROKERS

Dealing with FCA compliance, IT upgrades and maintaining Insurer relationships soaks up valuable customer contact time.

By outsourcing the back office work to us, more time can be spent generating new business, looking after existing business or spending more time doing what you want to do.

## WHAT IS AN APPOINTED REPRESENTATIVE?

Section 39 of the Financial Services & Markets Act describes an AR as a person who:

- (a) Is a party to a contract with an authorised person, (principal) which:
  - (i) Permits or requires him to carry on business of a description prescribed in the AR Regulations; and
  - (ii) Complies with such requirements as are prescribed in those Regulations; and
- (b) Is someone for whose activities in carrying on the whole or part of that business his principal has accepted responsibility in writing and who is therefore an exempt person in relation to any regulated activity comprised in the carrying on of that business for which his principal has accepted responsibility.

## WORKING WITH GAUNTLET

### HOW DOES IT WORK?

You will become an AR of Gauntlet Risk Management Ltd.

We will provide you with business and sales planning advice, a dedicated support team, first rate insurance placement, leading edge systems, technical support and FCA authorisation.

### WHAT DO I GET?

- Outstanding back office support
- Your own branded website\*
- Personalised stationery design\*
- Branded email campaigns\*
- Credibility and trust associated with both the Willis Network and the Gauntlet Group
- A generous commission for business transacted
- Control of the client
- Help in creating a business plan with financial forecasts for the first three years
- Computer connections to Gauntlet's server, providing access to your clients and your financial information from anywhere in the world (subject to internet access)
- Training on Gauntlet's administration and recording systems (all paperless)
- Professional indemnity insurance cover
- FCA authorisation as an Appointed Representative of Gauntlet
- Access to the Willis Commercial Network facilities
- A new business and renewal broking service
- Administration of your clients' insurance
- Set up of all client records (paperless with full online access)
- A Premium collection service with settlement to Insurers
- Premium finance facilities
- We deal with regulatory returns
- Training and competence system
- Contact with other Gauntlet Appointed Representatives

\*Only supplied by us if trading as part of the Gauntlet brand

## FREQUENTLY ASKED QUESTIONS:

### WHO CONTROLS THE CLIENT?

You do, although you will be supported at all times by our teams at head office. We very much see the winning, servicing and retention of clients as a team effort.

### DO I USE MY COMPANY NAME OR DO I USE THE GAUNTLET BRAND?

You decide what is best for you.

Evidence suggests it would be advisable to consider using the Gauntlet name as this will give you credibility in the market, greater scale – important when competing against a large broker to win/ retain a case and historical longevity – we have been trading for over 21 years.

Using the Gauntlet name does improve the collective buying power of all parties, and enhances service levels from our Insurer partners.

### HOW MUCH DOES IT COST?

There are no start-up costs or monthly/annual fees whatsoever. Our financial model is quite simple – you retain 60% of all earnings (commission/fees) and we receive the balance of 40% to cover all back office support (systems, IT, account handling, broking, claims, accounts, sales, FCA compliance etc).

In our experience this is a fair split of earnings which enables you to do what you do best-win, service and retain your clients.

We are prepared to review this financial model.

### CAN THIS FINANCIAL MODEL BE VARIED?

In exceptional circumstances we will consider slight variations. These usually relate to unusual or niche business opportunities. This might include business which is non-standard and where the share of work load is different to the norm.

### CAN YOU HELP ME WITH MY BUSINESS PLAN?

Absolutely – we want to work with you to agree Business, Sales and Cash Flow plans at the outset, and we would help you achieve the plans through regular review meetings.

### WILL I HAVE TO DO MY OWN ACCOUNTS?

You will be responsible for your own business accounts, but we can offer support in this. We will be handling client monies and payment of insurer accounts.

### DO I HAVE TO GET INVOLVED IN CREDIT CONTROL?

It is vital that you ensure premiums are paid within agreed credit terms. We cannot pay the insurer until the client has paid you, and we cannot pay you until your client has paid their premium.

## **CAN I OFFER PREMIUM FINANCE?**

Yes you can. We use Premium Credit for this purpose.

## **DO I NEED TO HAVE A CONSUMER CREDIT LICENCE?**

No, you will be covered under the Gauntlet consumer credit licence.

## **DO I NEED MY OWN PI INSURANCE?**

No, you will be covered by the Gauntlet policy and your PI cover can be placed into run-off.

## **WHAT IF I DECIDE THAT GAUNTLET IS NOT FOR ME AFTER I HAVE JOINED?**

Contractually we don't ask for a minimum commitment period, but our notice period is 30 days. This compares very favourably with most of our competitors who would usually look for a minimum commitment of 12 months.

Setting up your own business takes time, money and energy. We will help you create your business plan, which will show what needs to be achieved in the first three years, and what your financial commitment and returns will be.

In return we look for a commitment from you to make your new business a success.

## **IF I AM A SUCCESS AS AN AR, WILL I BE ABLE TO FORM MY OWN INSURANCE BROKERAGE?**

Absolutely and this is something we would actively encourage. Quite simply, someone who has the ambition to become a Broker in their own right will undoubtedly be a driven and effective AR, so your ambition will produce good results for everyone.

## **WHAT EQUIPMENT DO I NEED?**

A PC/Laptop, an Internet connection, a scanner, fax machine and a telephone line.

Whilst most AR's have calls directly to their own offices, Gauntlet will happily deal with any overspill.

## AND FINALLY...

Some good reasons to become a Gauntlet Appointed Representative:

1. Independence – It's your business!
2. Client control – You control your customers and have an opportunity to create a valuable asset.
3. Easy set-up – By embracing latest technology, Gauntlet have created the ability for AR's to access full client information anywhere in the world (subject to internet access).

4. Excellent administrative backup.

Gauntlet will handle:

- Broking of new and renewal business in conjunction with you
- Setting up client records
- Checking policy documentation when issued
- Dealing with mid-term alterations and queries
- Collecting premiums due
- Dealing with claims in conjunction with you.

5. Buying power – We have excellent relationships with leading insurers and underwriters in Lloyds, which is enhanced by being members of the Willis Commercial Network.

This means:

- A broad agency base
- Premier division status with many Insurers
- Scheme facilities
- High rates of commission.

6. FCA approval – As an Appointed Representative you would benefit from our FCA authorisation.
7. Professional Indemnity Insurance – This is automatically provided when you become an AR.
8. Complete business accounting – We will deal with all client account transactions. We can provide a payroll and purchase ledger function for you and provide you with monthly and year end management accounts, should you wish.