

Senior Insurance Managers Regime: crucible of insurance regulation and employment law



The Senior Insurance Managers Regime (“SIMR”) took effect in early 2016, and is already altering the risk profile of common workplace issues.

SIMR raises issues for insurers as to their HR policies and procedures, including ongoing assessment of the fitness and propriety of key personnel, references for job changes, and whistleblowing. There is evidence that the internal and external disclosures required by SIMR are having unintended consequences for compliance and HR reporting, including grievances.

Our Corporate Insurance and Employment teams comprise legal experts in insurance market issues who are highly effective in working with clients’ own executive, legal, HR, compliance, risk and audit teams to manage clients’ commercial and regulatory challenges and objectives.

We advise on all the practical, legal and regulatory issues facing insurers’ management.

As lawyers, we can advise under legal advice privilege to preserve confidentiality even if litigation or regulatory investigations arise, which in turn can attract litigation privilege. This means clients can address issues more openly, and therefore more effectively, than with other advisers.

Changing processes and behaviours

Appointments – There is now more detailed and focused evaluation and conditionality for new hires and promotions, including the terms of Statements of Responsibilities.

Over-reporting – What once might have been minor issues are being escalated because some managers feel this best protects them in light of the regulatory reporting burden of SIMR.

Under-reporting – Some employees have been dissuaded from pursuing grievances by counter-threats of regulatory reports being made about them.

Non-compliant-reporting will inevitably breach internal policies and can lead to employment law claims for –

- breaches of the employment contract,
- treatment that erodes mutual trust and confidence, and even
- employers’ fundamental breaches of contract that nullify post-termination covenants and confidentiality.

Such claims bring with them the risk of serious reputational damage.

Post-termination data accuracy and access – firms need to manage the retention and potential amendment of documents, including the need to update or revise references given in the last 6 years, even where these were part of a settlement.

Regulatory investigators will seek comprehensive access to materials, as will former employees who may be subject to investigations. Conversely, former in-house legal advisers may find themselves at a disadvantage where firms argue that privilege should apply to certain materials to restrict access.

Record access should be clearly addressed in employment contract terms; the consistency in the application of record retention and disciplinary policies during employment must also be maintained.

Examples of our commercial, employment and regulatory work for insurance market participants in 2016 include:

- Drafting and negotiating contracts of employment and Statements of Responsibility
- Advising on governance mapping
- Conducting a board effectiveness review for the UK intermediary subsidiaries of a global insurance group
- Advising on a regulatory ‘whistleblowing’ relating to cross-border operations and a resulting dispute between co-insurers
- Handling an unfair dismissal claim following a regulatory notification
- Handling a private equity investment into a specialist professional lines intermediary, including the negotiation of a delegated authority with an international insurer
- Advising on the compliance ramifications of insurers’ anti-fraud systems and controls
- Advising on governance and board appointments at a representative trade body



What our clients have to say

“ They are genuinely commercial in their approach. ”

“ They have their finger on the pulse of industry and regulatory developments. ”

What our clients have to say

“ Their level of service is excellent. ”

“ We rely on them to help enhance the effectiveness, value for money and reputations of our in-house legal and compliance team. ”

Our team

To find out how DWF can support your insurance law and regulatory needs, please contact a member of our team below.



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A selection of our awards



'Legal Innovator of the Year' at the Legal Business Awards 2015
'Best Leadership of Innovation' and 'Best Managed Workplace' at the Managing Partners' Forum for Management Excellence 2015
'Law Firm Innovation' and 'Best Use of Technology' at the British Legal Awards 2014



61 Net Promoter Score
Clients' propensity to recommend DWF to others
8.6 out of 10 Client satisfaction score



DWF named in the top five for most recommended lawyers in the UK

Go further - DWF is the legal business where expertise, industry knowledge and leading edge technology converge to deliver solutions that enable our clients to excel.

With over 2,300 people across the business, we make sure that wherever you are, wherever you aim to be, we will go further to help you get there.

