

Regulatory Hot Topics

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Learning Objectives

By the end of this session, attendees will be able to:

- Identify some of the latest developments from the FCA
- Understand the expectations on firms in these areas
- Identify key EU developments that will affect our industry

About BIBA



UK's leading GI intermediary organisation

Representing brokers and their customers

2,000 members with 100,000 staff

Not for profit



Compliance - the 'so what' test



'How we do things around here'

- Setting up
- Recruiting staff & pay structures
- Sales processes
- Policies
- Procedures
- Competence – incl. training



Cost of Regulation



Up from 4% to 6.8% of income for
small insurance brokers

London Economics

*“ A major factor in my decision to
leave insurance broking was the
unreasonable burden of
disproportionate regulation on
my small but successful business.”*

Craig Tracey MP

What's the big (data) idea?



- Not necessarily a bad thing
 - Customer outcomes
 - Competition
 - Regulation
- Pricing ^(mal) / practices

PII Review



200 firms selected – 186 visited

Good:

- Sufficient cover available
- Sufficient cover obtained – mostly!

Not Good:

- Exclusions too broad
- Out-of-date references!

Value Measures



Aggregates and averages:

Firm	Claims frequency	Claims acceptance rate	Average claims pay-out
Aviva	2.5% to 4.9%	90% to 92.4%	£3,000 to £3,499
AXA	5% to 7.4%	80% to 84.9%	£2,500 to £2,999
Chubb / Ace	20% to 25%	97.5 to 100%	£10,000 to £14,999
Ecclesiastical	7.5% to 9.9%	92.5% to 94.9%	£3,000 to £3,499
Hiscox Syndicates	5% to 7.4%	97.5 to 100%	£70,000 to £75,000
RSA	5% to 7.4%	97.5 to 100%	£1,000 to £1,499
Zurich	2.5% to 4.9%	90% to 92.4%	£2,000 to £2,499

Claims Management Companies



Unlevel playing field



Carol Brady Review



BIBA took along evidence



FCA to regulate CMCs

Broker rules



CMC rules



Exiting the EU



Tariff free trading with Europe

Transitional Arrangements

Equivalence Regime

Maintaining Employment

UK Regulatory Reform

Motor Insurance Cover

Travel Insurance

Trade Credit Insurance



IDD - HMT Consultation



Changes to the law on:

- Introducing
- Connected contracts
- Timescale for dealing with applications

IDD - FCA Consultation...Pt1



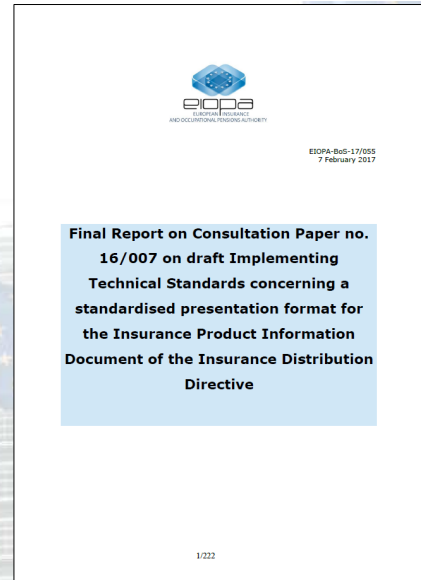
Changes to the rules on:

- Scope
- Training/CPD
- ‘Customer’s best interests rule’
- Pre-contract disclosure
- Remuneration disclosure

Insurance Product Information Documents



- To enable better comparisons
- Replacing policy summaries?
- Developed with consumer business in mind
- Apply to commercial?



Insurance Product Information Documents



Xxxxx Insurance

Insurance Product Information Document

Company: XYZ Insurance Product: Policy X

This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

<div style="background-color: #e0e0e0; padding: 5px; margin-bottom: 5px;"> Main risks covered: Sub head: ✓ Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15 ✓ Xxxxxx ✓ Xxxxxx ✓ Xxxxxx ✓ Xxxxxx ✓ Xxxxxx </div> <div style="background-color: #e0e0e0; padding: 5px; margin-bottom: 5px;"> Insured sum: ✓ Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15 ✓ Xxxxxx </div> <div style="background-color: #e0e0e0; padding: 5px;"> Geographical scope: ✓ Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15. </div>	<div style="background-color: #e0e0e0; padding: 5px; margin-bottom: 5px;"> Main risks not covered: ✗ Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15 ✗ Xxxxxx ✗ Xxxxxx ✗ Xxxxxx </div> <div style="background-color: #e0e0e0; padding: 5px;"> Main restrictions and exclusions: ! Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15 ! Xxxxxx ! Xxxxxx ! Xxxxxx ! Xxxxxx </div>
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Insurance Product Information Documents



Xxxxx Insurance

Insurance Product Information Document

Company: <Name> Insurance Company Product: <Name> Policy

[Statement that complete pre-contractual and contractual information on the product is provided in other documents]

What is this type of insurance?

[Description of Insurance]

What is insured?

- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx

What is not insured?

- ✗ Xxxxxx
- ✗ Xxxxxx
- ✗ Xxxxxx
- ✗ Xxxxxx
- ✗ Xxxxxx

Are there any restrictions on cover?

- ! Xxxxxx
- ! Xxxxxx
- ! Xxxxxx
- ! Xxxxxx

Where am I covered?

- ! Xxxxxx

Exciting or x-heighting times!



Appendix



General Data Protection Regulation



Changes how we do things:

- Consent
- Data portability rights
- Data Protection Officers
- Right of erasure (aka to be forgotten)

Rule making and disclosure



Images taken from @_youhadonejob1 on Twitter

Rule making and disclosure



Images taken from @_yuhadonejob1 on Twitter

Learning Objectives - Recap



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