



FCA publishes Wholesale Insurance Brokers Market Study final report

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The Financial Conduct Authority (FCA) has today published the final report of its Wholesale Insurance Brokers market study which was launched in November 2017 to assess how competition was working in the sector.

Overall, the FCA has not found evidence of significant levels of harm that merit the introduction of intrusive remedies. This report is, therefore, not an interim report but a [final report](#).

The London Insurance Market (LIM) is one of the largest global centres for placing and underwriting large-scale, complex commercial and specialty risk. In 2017, it controlled approximately £60bn in gross written premium and serves as a hub for large commercial and specialty risk underwriters and attracts clients from the UK and all over the world.

The FCA has, however, identified some areas of concern which have scope for improvement including:

- firms' management of conflicts of interest
- the information firms disclose to clients, and
- contractual agreements between brokers and insurers which, in a small number of cases, have the potential to limit competition

The FCA will work with firms to address the concerns found in these areas. The FCA will continue to monitor the market as part of its normal supervision function to assess developments arising from the impact of EU withdrawal, possible further consolidation in the industry and as a consequence of any changes in business models.

The FCA findings were drawn from multiple pieces of analysis including 73 brokers' and 49 underwriters' responses to the questionnaire looking at market features including conflicts of interest management, market shares and entry/exit. Throughout the project the FCA engaged with market participants. This included brokers, underwriters and UK and international industry bodies.

Christopher Woolard, FCA Executive Director of Strategy and Competition, said:

'This was a significant and in-depth analysis of a sizeable and complex market to determine whether clients were at risk of harm. Encouragingly, we found no evidence that they were but we found some areas with scope for improvement and we will work with the industry to ensure these are addressed. We would like to thank the firms and industry groups who participated in the study.'

Notes to editors

1. [MS17/2.1 - Terms of reference](#)
2. [MS17/2.2 - Final report](#)
3. On 1 April 2013, the FCA became responsible for the conduct supervision of all regulated financial firms and the prudential supervision of those not supervised by the Prudential Regulation Authority (PRA).

4. The FCA has an overarching strategic objective of ensuring the relevant markets function well. To support this, it has three operational objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the UK financial system; and to promote effective competition in the interests of consumers.
 5. Find out more information [about the FCA](#).
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