

GI market study and consultation FCA proposals

Remedy	What?	Which products?	Who does it apply to?
Pricing	Firms cannot offer existing customers a premium that is greater than the equivalent new business price that the firm would offer a new customer (through the same distribution channel and using the same payment method). This would mean a ban on price walking.	Consumer motor and home insurance and additional products sold alongside them (including premium finance).	Insurers and price setting intermediaries*. <i>*Defined as an intermediary whose role includes setting the gross price paid by the customer for the core product or setting the gross price of any element of that premium, or setting the price of any additional products.</i>
Reporting requirements	Firms will be required to submit data to the FCA. For non-price setting intermediaries examples of the data that will need to be submitted includes premium finance charged to customers, the total amount charged on additional products sold with the core product and pre and post contractual fees and charges (e.g. broker fees and administration fees such as those for mid-term adjustments and cancellations).	Consumer motor and home insurance and additional products sold alongside them (including premium finance).	Sections apply to insurers and price setting intermediaries - some parts apply to these firms and non-price setting intermediaries.
Cancellation of auto-renewal	Require firms to offer a range of accessible and easy options for consumers who want to cancel auto-renewal on their contract.	All GI products.	Applies to all firms selling products within scope of the remedy.
Product governance	An extension of product governance rules to cover all GI and protection products (whether sold to retail or commercial customers) launched and adapted prior to 1 October 2018. Will enhance requirements to ensure that products offer fair value to customers. Distributors will be required to:	All retail and commercial GI and pure protection insurance, as well as premium finance sold alongside insurance.	Firms manufacturing or distributing products within scope of the remedy.

	<ul style="list-style-type: none">• Understand the value product assessment that the manufacturer has undertaken.• Consider the impact that their distribution strategy and process has on the value of the product (this includes consideration as to the remuneration received).• Provide information to support the manufacturer in their product.• Amend distribution processes if it is identified that this results in consumer harm. <p>There are also requirements in relation to premium finance and products sold alongside the main insurance contract.</p>		
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