



FCA launches Wholesale Insurance Brokers Market Study

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The Financial Conduct Authority (FCA) has today launched a market study to assess how competition is working in the wholesale insurance broker sector. The FCA wants to ensure that the sector is working well, and fosters innovation and competition in the interests of its diverse range of clients.

The London insurance market is one of the world's leading centres for large scale, complex commercial and specialist risks, controlling more than £68bn in gross written premium.

There have been significant changes in the wholesale insurance sector in recent years which has seen brokers developing new services and business practices. The FCA plans to explore how competition is currently working and whether it could work better.

The FCA believes that effective competition contributes to ensuring London remains an international centre for insurance.

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

'Given the size of the wholesale insurance sector and the type of large scale risks it covers, the way it functions can have a wide-ranging impact on the broader economy. If businesses cannot get appropriate cover or pay more for services than they should, it can impact on their ability to operate and grow.

'Brokers play an important part in the wholesale insurance sector ensuring clients get appropriate coverage at good value. However, following significant changes in the sector, we are looking at the dynamics to ensure competition is working well.'

The FCA today [published the Terms of Reference](#) detailing the topics to be explored and welcomes responses by 19 January 2018. The FCA aims to publish an interim report in autumn 2018 which will set out its analysis, preliminary conclusions and any potential solutions to address concerns.

Notes to editors

1. [MS17/2: Wholesale Insurance Broker Market Study](#)
2. The London Market controls more than £68bn (\$91bn) in gross written premium, from [London Market Group 'London Matters' 2017](#).
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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