

Sophia Lane

From: Christopher Croft
Sent: 25 March 2020 09:33
To: Matt Brewis
Subject: Coronavirus impact on insurance brokers

Matt

Good to speak to you last Friday. Prompted by your request that I let you know where there may be areas where FCA can help our sector in the current circumstances, I have done a quick survey of our compliance and operations groups. They have raised the following.

1. There may be areas of the handbook where it will prove difficult to comply with the letter of the requirement, although firms will very much still be acting within the spirit. The most frequently cited area is the client money rules. As an example, a small section of clients still pay premium by cheque. Whilst firms do have automatic forwarding in place, it still may not be possible to bank the cheques within the prescribed time limits. Some message from you that you will expect firms to make best endeavours to comply but recognise the challenges and will be understanding where firms are clearly still attempting to do the right thing and minimise risk to the client would be welcome.
2. Similarly an acceptance that whilst firms' BCP is working well at the moment, it will not be 100% perfect would ease concerns for our members.
3. An indication that you are prepared to waive the £250 admin fee for late Gabriel returns or late payment of FCA fees where the delay is demonstrably caused by a corona related issue would again help.
4. One not entirely for you, but firms are seeing some inconsistencies between your definition of "key worker" and government and particularly local education authorities and other educational establishments. Many of our members will still need to have a small staff in the London office (for example where they retain some IT infrastructure in house that needs maintaining to provide for remote working). We think that your definition works well in these cases but if your local school doesn't agree and won't look after your children it is an issue. Not entirely sure what you can do about this but I will leave it with you!
5. There will be emerging issues around coverage that we will probably need to liaise over. One example is landlords rent protection policies. To claim an insurer will probably expect landlords to mitigate their loss (ie serve notice) but government will say they can't. So we may need a conversation between you, us and insurers at some point?

Hope this helps. Happy to discuss any if that would be useful – and to pass on any messages to members that you may want heard?

Kind regards

Chris

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