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[via email]

06 February 2017

Our Ref: FOI4920

Dear

Freedom of Information : Right to know request

Thank you for your request under the Freedom of Information Act 2000 (the Act), for the information about GAP insurance policies. Please refer to Annex A for full details of your request.

Your request has now been considered and I can confirm we hold some information falling within scope of your request. Please refer to Annex B for the information we do hold. When reviewing the information provided please be aware of the following:

- The data provided represents the data used to support the GI add-on market study report annex B - <https://www.fca.org.uk/publication/market-studies/ms14-01-annex-b.pdf>. It does not contain all the data that firms provided.
- The data provided only relates to add-on insurers for GAP – we did not collect data from underwriters of GAP insurance sold on a stand-alone basis.
- For the average profit-per-policy we do not have this information. We asked insurers to provide Combined Operating Ratio information. However, insurers used a mixture of approaches to calculate their earned premium amounts. The different approaches to the income recognition for the earned premium had an impact on the comparability of both the COR and total premium earned information [see page 5 of Annex B of the first market study report].
- A smaller proportion of the data was used for 2011 and 2012 as GAP policies were typically 3+ years in duration

If you have any queries then please contact us.

Yours sincerely

Information Access Team

Annex A

Request received on 9 January 2017:

"Thanks for the clarification. I would like to obtain the data you do hold - do I need to submit a new request or are you happy with this email to amend my queries as follows:

- 1. The number of GAP insurance policies in force, by year, for all years **and for those firms** for which you have data. If it is possible to split this by add-on and standalone then please do so.*
- 2. The number of claims on GAP insurance policies, by year, for all years **and for those firms** for which you have data. If it is possible to split this by add-on and standalone then please do so.*
- 3. The average claim amount on GAP insurance policies, by year, for all years **and for those firms** for which you have data. If it is possible to split this by add-on and standalone then please do so.*
- 4. The average profit-per-policy of insurers (not distributors) supplying GAP insurance policy, by year, for all years **and for those firms** for which you have data.*
- 5. The average total premium earned by insurers (not distributors) supplying GAP insurance policy, by year, for all years **and for those firms** for which you have data.*
- 6. The average total payout made by insurers supplying GAP insurance policy, by year, for all years **and for those firms** for which you have data."*

Annex B

Information requested on GAP insurance data held by FCA:

	2008	2009	2010	2011	2012
1. Average policies in force	1,231,995	1,247,186	1,224,725	446,207	448,669
2. Number of claims settled	5,012	4,243	3,642	1,140	1,217
3. Average claim amount	3,464	3,104	3,023	2,734	1,905
4. Average profit-per-policy	Not held	Not held	Not held	Not held	Not held
5. Average total premium earned by insurers	Not held	Not held	Not held	Not held	Not held
6. Total pay-out made	17,360,583	13,170,775	11,010,231	3,117,668	2,317,814