

22 October 2020

Our Ref: FOI7669

Freedom of Information: Right to know request

Thank you for your refinement email of 28 September 2020, in which you asked for information on the Retail Mediation Activities Return (RMAR). Please refer to Annex A for full details of your request.

We are handling your email as a request for information under the Freedom of Information Act 2000 (FOIA) and have answered each question in turn.

Question one

Financial adviser firms with policy exclusions by category of exclusion and year.

Policy exclusions	Number of firms holding a policy with the exclusion by year			
	2015	2016	2017	2018
Commercial	28	34	35	32
Critical illness	0	1	3	0
Endowments	8	9	10	9
Equity release	21	27	23	30
Financial services	8	11	15	16
General insurance	12	16	21	18
Income drawdown / withdrawal	4	1	2	1
Income protection	0	1	2	0
Investment bonds	3	3	3	3
Mortgages - impaired credit	13	16	20	15
Mortgages - self certification	15	18	17	16
Other (FSA regulated business)	151	156	147	207
Other decumulation, life, and pensions	16	7	15	31
Other general insurance	6	13	12	12
Other investments	268	254	246	259
Other mortgages	14	20	18	19
Other pure protection	0	2	6	5

Personal pensions and AVCs	7	6	5	8
Structured products	26	29	31	27
Total number of firms with any exclusions listed above in any of their policies	508	521	501	587

Question two

Breakdown of professional indemnity insurance (PII) premiums paid by firms with permission to undertake the regulated activity advising on pension transfers/opt outs by year.

2017

Financial Adviser (FA)	Total annualised premium PII (£)	Total revenue	PII premium as % of regulated revenue	Number of firms reporting	Average PII premium per firm (£)	Average regulated revenue per firm (£)
Up to £100k revenue	1,561,504	41,153,878	3.8%	676	2,310	60,879
£101k to £500k revenue	9,890,589	507,573,148	1.9%	1950	5,072	260,294
£501k to £10m revenue	40,938,054	1,509,941,187	2.7%	1180	34,693	1,279,611
Over £10m revenue	16,237,740	1,940,851,461	0.8%	24	676,573	80,868,811
Total	68,627,887	3,999,519,674	1.7%	3,830	17,919	1,044,261

2018

Financial Adviser (FA)	Total annualised premium PII (£)	Total revenue	PII premium as % of regulated revenue	Number of firms reporting	Average PII premium per firm (£)	Average regulated revenue per firm (£)
Up to £100k revenue	1,526,454	38,978,090	3.9%	639	2,389	60,999
£101k to £500k revenue	11,407,866	507,771,837	2.2%	1964	5,808	258,540
£501k to £10m revenue	51,418,916	1,806,898,017	2.8%	1333	38,574	1,355,512
Over £10m revenue	18,147,334	2,071,908,419	0.9%	25	725,893	82,876,337
Total	82,500,570	4,425,556,363	1.9%	3,961	20,828	1,117,283

2019

Financial Adviser (FA)	Total annualised premium PII (£)	Total revenue	PII premium as % of regulated revenue	Number of firms reporting	Average PII premium per firm (£)	Average regulated revenue per firm (£)
Up to £100k revenue	1,709,675	38,620,846	4.4%	627	2,727	61,596
£101k to £500k revenue	14,153,959	496,182,012	2.9%	1971	7,181	251,741
£501k to £10m revenue	57,927,931	1,790,876,155	3.2%	1321	43,852	1,355,697
Over £10m revenue	25,171,727	2,187,195,425	1.2%	26	968,143	84,122,901
Total	98,963,292	4,512,874,438	2.2%	3,945	25,086	1,143,948

Your right to complain under FOIA

If you are unhappy with the decision we have made about your request, you have the right to request an internal review. To do so, please contact us within 40 days of the date of this response.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner by phone or on their website at:

Website: www.ico.org.uk

Yours sincerely,

Information Disclosure Team

Annex A

- 1. I am interested in the FCA's figures on the professional indemnity insurance market related to regulated adviser firms.**

Table 5 in this link (<https://www.fca.org.uk/data/retail-intermediary-market-2018#pii>) gives a breakdown of professional insurance indemnity premiums paid by financial adviser firms.

Would the FCA be able to provide these figures below:

- The proportion of financial adviser firms with an exclusion of any kind on their PI policy on an annualised basis for 2018, 2017, 2016, 2015.**
- Provide a breakdown of reported exclusion by the following categories:**

Commercial
Critical illness
Endowments
Equity release
Financial services
General insurance
Income drawdown / withdrawal
Income protection
Investment bonds
Mortgages - impaired credit
Mortgages - self certification
Personal pensions and AVCs
Structured products
Other decumulation, life, and pensions
Other general insurance
Other investments
Other mortgages
Other pure protection
Other (FSA regulated business)

- 2. Can you provide data in Table 5 but only include regulated adviser firms that have or had defined benefit permissions on an annualised basis for 2019, 2018, 2017?**