

Mobile phone insurance – follow-up review

Financial Conduct Authority (FCA)

RPC rating: validated

Description of the measure

This review was intended to assess the extent to which 14 firms (including both insurers and insurance intermediaries) had responded to a previous FCA thematic review of mobile phone insurance. The review and accompanying report does not impose any new expectations, requirements or obligations on firms. Based on the review's findings, the report provides guidance to help firms comply with existing FCA requirements.

Impacts of the measure

The assessment explains that approximately 60 insurers and intermediaries are involved in the mobile phone insurance market and that a compliance manager in each firm is expected to read the document. The FCA estimates that these managers will take, on average, 40 minutes to read the document. Familiarisation cost estimates are based on an hourly wage rate for compliance managers of £48 per hour, which is drawn from an industry specific salary publication. The FCA thus estimates the total familiarisation costs to business to be £1,920.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of £0.0 million. As the review provides formal guidance to firms based on its findings, this is a qualifying regulatory provision.

Quality of submission

The FCA has provided sufficient evidence to support its estimate of the impact of the measure and that the EANDCB figure rounds to £0.0 million. The assessment should have made clear whether the wage rate includes non-wage labour costs, although given the small number of firms involved this would not affect the EANDCB figure.

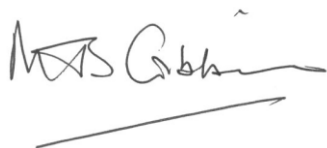
The RPC welcomes the use of industry-specific salaries, especially in the context of the financial services sector.

Regulator assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	£0.0 million
Business net present value	£0.0 million

RPC assessment

Classification	Qualifying regulatory provision
EANDCB – RPC validated ¹	£0.0 million
Business Impact Target (BIT) Score ¹	£0.0 million



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.