

News story: New accountability rules for insurers

The new rules will give consumers peace of mind that those at the top of the big insurers will be held personally responsible for any wrongdoing. The rules will also ensure that a code of conduct is set out for all staff, and that employees who do a job where they could do significant harm to consumers, or to the UK's financial stability, are approved annually by their firm.

John Glen, the Economic Secretary to the Treasury and City Minister said:

Britain's first-class regulation is one of many reasons our country is so attractive for financial services investment. The Senior Managers and Certification Regime plays a big part in this, ensuring that those at the top display the behaviours and values that the British people expect.

The extension of the Regime to insurance firms will ensure individual accountability for misconduct at the most senior levels within the insurance sector.

The Senior Managers and Certification Regime, first introduced for banks and building societies in 2016, will be extended to include insurance firms from 10 December 2018. Currently the Regime applies to banks, building societies, credit unions, investment firms and UK branches of foreign banks. The government previously legislated to extend the Regime across all financial services firms. The extension into insurance is the start of this.

The Financial Conduct Authority (FCA) are also consulting on how the Regime will apply when it is extended to include smaller firms regulated only by the FCA (also known as solo-regulated firms).