

FSA decides against mandatory disclosure of commissions... for now

In a move welcomed by the commercial insurance industry, the Financial Services Authority has decided that disclosure of commissions by intermediaries can be in accordance with "industry guidance". This follows lobbying by BIBA and other associations to adopt a standard in providing commercial customers information on remuneration, the provision of services and for the avoidance of conflicts of interests.

More information :

http://www.reinsurancemagazine.com/public/showPage.html?page=reinsurance_breakingnews_story&tempPageName=849689

London and International Insurance Brokers' Association now represents 98% of London market

After previously splitting from the British Insurance Broker's Association (BIBA) and renaming itself from the London Market Brokers' Committee, LIIBA now claims to represent 98% of the London insurance market.

Animals Act Changes Proposed

Liability for damage or injury caused by animals is largely governed in the UK by the Animals Act 1971, often derided as overly complex and uncertain legislation. DEFRA is leading proposals to implement legislation to simplify and clarify the position and one hope is that such changes would lead to lower premiums particularly for example for commercial riding companies. The uncertainty leads to increased costs and any clearer legislation might reduce this.

More information: <http://www.defra.gov.uk/corporate/consult/animals-act/index.htm>

Fortis Insurance UK posts profits

Despite challenging economic conditions particularly in the latter half of 2008 Fortis Insurance reported profits of £76 million for 2008 which compares well with previous years. Now seeking to increase its workforce, its plans for the future include focussing on commercial underwriting and increasing claims capacity. Following recent changes in the company it is likely that its name will be changed shortly.

Credit Crunch leads to Cover Cuts

As the recession bites and homeowners seek to tighten budgets, research has indicated that people are reducing the amount of home contents insurance they have leading to a greater exposure to risk. In particular both younger and older people have made the greatest cuts. Over the country these reductions are not uniform and indeed in some areas cover has been increased, perhaps suggesting that in testing times some are trying to better protect what they already have. More:

http://www.postonline.co.uk/public/showPage.html?page=post_breakingnews_story&tempPageName=849662

Fraudulent Claimants Convicted

After an eighteen month long investigation, two fraudulent claimants have been sentenced. Insurers became alerted to a large amount of road traffic claims being made in which certain

types of information, such as addresses of those involved, mobile telephone numbers and so forth seemed to be the same. A joint investigation by the Insurance Fraud Bureau and the City of London Police commenced which ultimately led to the successful conviction of two of the men involved. This was a sizeable operation involving hundreds of fraudulent claims and in total the claims made amounted to nearly three million pounds.

Standard Life stands firm

After some years ago deciding to sell of £7 billion of equities and switching to a portfolio of less risky bond investments, Standard Life has emerged in the current economic climate as having a substantial capital surplus, higher than competitors such as Aviva and Prudential. As a result its share price has outperformed the sector.

Aviva to reduce workforce in efficiency drive

Aviva, owners of Norwich Union, is to reduce its workforce by over a thousand during 2009 in a drive to cut costs following losses of nearly £1 billion last year. The announcement of the job losses caused controversy particularly after the company recently maintained its dividend.

Barclays challenges Competition Commission on Payment Protection Insurance

The banking giant has struck back at the Competition Commission's report into the sale of Payment Protection Insurance (PPI). The Commission had, after investigating the sale of these policies for two years, sought to ban the sale of PPI at the same as the sale of credit cards or loans. Instead, under their proposals, there would be a seven day delay before the seller would be able to contact the consumer to promote these policies. Barclays suggests the evidence does not support such a ban and has lodged an official appeal with the Competition Appeals Tribunal.

More information: <http://www.timesonline.co.uk/tol/money/insurance/article6031075.ece>

New Road Safety Act aimed at reducing non-UK vehicle accident

Essex Police welcomed the implementation of the Road Safety Act 2006 which amongst other things, allows police to immobilise vehicles where it is thought the driver has exceeded the number of hours a long distance driver (for example of a commercial vehicle) has been driving. Recent cases have shown that foreign drivers exceed this safety requirement, leading to accidents.

More information: http://www.choicequote.co.uk/news/van/commercial_essex-roads-to-be-safer-from-non-uk-commercial-vehicle-insurance-policyholders.asp

Arrests in Connection with Personal Injury Fraud

Arrests have been made in connection with an alleged fraudulent claim involving McKeown's solicitors, a personal injury firm along with a director of After The Event Insurance provider BRC Legal Assist. The investigations are ongoing and there is no suggestion that McKeown's or BRC Legal Assist are implicated in the fraud.

More information :

<http://www.insurancetimes.co.uk/story.asp?sectioncode=1&storycode=377637&c=2>