

Regulatory Update

Product Value and Coronavirus: guidance for insurance firms (FS20/7)



About the Guidance

The guidance provide clarity to firms as to why and when they should consider the value of products where, due to the impact of coronavirus, there has been a material reduction in risk so that they are providing little or no utility to customers.

Which firms are captured?

This guidance is relevant to all firms carrying on regulated activities relating to all non-investment insurance products and in particular, firms who have manufactured these products.

What firms should do

Firms have until 3 December 2020 to review their product lines, considering the impact of coronavirus and decide on any resulting action. Firms should document their consideration appropriately.

Whilst not all firms will need to make changes to their products, all firms must consider the product value.

Some key points

- Applicable to commercial and consumer products alike;
- The guide is targeting product manufactures (and co-manufacturer), therefore potentially including broker.
- Product reviews must be carried out within 6 months – 3 December 2020
- When a product review is necessary
 - firms should consider the value of products where, due to the impact of coronavirus, there has been a material reduction in the risk so that they are providing little or no benefit to customers.
- Important to note that this guidance requiring product level review and not review of individual policies.

Note section

You may use this section to take notes of key actions or assessments and file it for your record keeping.

Key Publication

- Product Value and coronavirus: guidance for insurance firms FS20/7 ([click here](#))



RR Compliance Associates

E-mail: contact@rrcompliance.com

Mobile: 0203 488 4322

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