



Shimla Rizan,
Insurance Market Analysis and Policy
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

27 September 2023

Dear Shimla,

AFM Response to FCA CP23/18, Quarterly Consultation, c. 2

1. I am writing in response to this consultation paper, on behalf of the Association of Financial Mutuals. The objectives we seek from our response are to:
 - Comment on the proposals, and support the changes proposed.

About AFM and its members

2. The Association of Financial Mutuals (AFM) represents insurance and healthcare providers that are owned by their customers, or which are established to serve a defined community (on a not-for-profit basis). Between them, mutual insurers manage the savings, pensions, protection and healthcare needs of over 32 million people in the UK and Ireland, collect annual premium income of over £22 billion, and employ nearly 30,000 staff¹.
3. The nature of their ownership and the consequently lower prices, higher returns or better service that typically results, make mutuals accessible and attractive to consumers, and have been recognised by Parliament as worthy of continued support and promotion. In particular, FCA and PRA are required to analyse whether new rules impose any significantly different consequences for mutual businesses² and to take account of corporate diversity³.

¹ ICMIF and AFM, 2022: <https://financialmutuals.org/wp-content/uploads/2022/10/UK-Market-Insights-2022.pdf>

² Financial Services Act 2012, section 138 K: <http://www.legislation.gov.uk/ukpga/2012/21/section/24/enacted>

³ <http://www.legislation.gov.uk/ukpga/2016/14/section/20/enacted>

AFM comments on the proposals

4. We welcome the opportunity to respond to this consultation paper, as well as the ongoing efforts from FCA to review its rules and adopt the Quarterly Consultation process for proposing minor rule amendments.

Chapter 2: changes to employers' liability insurance rules

5. We are grateful to FCA for proposing the changes in chapter 2 of the consultation. This is a good example of action to remove duplication and to streamline processes.
6. We consider that the revised process and timelines are entirely appropriate. AFM members that are affected have voiced strong support for removing an unnecessary and frustrating process, and we consider the changes will yield better outcomes.
7. We would welcome the opportunity to discuss further the issues raised by our response. We are happy to be included in the published list of respondents.

Yours sincerely,



Martin Shaw
Head of Policy
Association of Financial Mutuals