Financial Reporting Council

INSURANCE LEVY 2025/26

FACT SHEET

The purpose of the **Financial Reporting Council (FRC)** is to serve the public interest and support UK economic growth by upholding high standards of corporate governance, corporate reporting, audit and actuarial work. The FRC's powers come primarily from the Companies Act 2006 (CA 2006) and the Statutory Auditors and Third Country Auditors Regulations 2016.

The FRC sets the UK Corporate Governance Code and UK Stewardship Code, UK accounting standards (UK GAAP) and technical actuarial standards; promotes high quality of corporate reporting; sets audit and ethical standards for auditors; monitors and enforces audit quality; operates independent enforcement arrangements for auditors, accountants and actuaries; and supervises relevant professional bodies.

The FRC carries out these responsibilities under the sponsorship of the Department for Business and Trade (DBT).

Our actuarial responsibilities:

Following the Morris Review of the Actuarial Profession, published in March 2005, HM Treasury asked the Financial Reporting Council (FRC) to take on responsibility for oversight of the regulatory activities of the Institute and Faculty of Actuaries (IFoA) and the independent setting of technical actuarial standards.

The FRC seeks to promote high quality actuarial practice and the integrity, competence, and transparency of the actuarial profession to the benefit of all those who rely on actuarial advice.

The FRC is responsible for:

- The setting and maintenance of Technical Actuarial Standards, the Actuarial Standard Technical Memorandum 1 and the Actuarial Statement of Recommended Practice 1.
- Oversight of the regulation of actuaries by the Institute and Faculty of Actuaries (IFoA). The IFoA sets ethical and professional standards for its members, subject to independent oversight by the FRC.
- Operating independent disciplinary arrangements for actuaries. The FRC's Actuarial Scheme covers members of the IFoA. The FRC will commence an investigation into a member if the case raises or appears to raise important issues affecting the public interest in the UK; and there are reasonable grounds to suspect that there may have been misconduct.

We work closely with the Financial Conduct Authority (FCA), the Prudential Regulation Authority (PRA), the Pensions Regulator and the IFoA.

Basis for the Insurance Levy

As part of the arrangements agreed by HM Treasury for funding the FRC's responsibilities for actuarial standards, oversight and regulation, we request an annual contribution from authorised insurers in the form of a voluntary levy.

These arrangements for funding our actuarial responsibilities are designed to ensure that insurers, pension schemes and the UK actuarial profession contribute a reasonable share of the costs we incur, and that the arrangements for collecting the contributions are as straightforward and cost-effective as possible.

The insurance levy group includes life and general insurers that are required to pay the relevant FCA/PRA regulatory fees (Fee blocks A.3 and A.4). The insurance levy charge for 2025/26 will be a levy equivalent to 0.97% of the fees charged by the FCA and PRA. The levy is collected by the FCA alongside its own fees.

The FRC's funding arrangements are based on non-statutory arrangements put in place at the request of the Government. Should these prove unworkable, the Secretary of State is able to make regulations to introduce levies on a statutory basis for the purpose of meeting any part of the expenses of a grant-aided body under Section 17 of the Companies (Audit, Investigations and Community Enterprise) Act 2004.

Contact Us

If you have a question about the method of payment, please contact the FCA contact centre on 0300 500 0597 or fca.feeshelpline@fca.org.uk

If you have a policy related question on the levy, please email on levies@frc.org.uk

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