

Levy breakdown – FCA classes

General Insurance Distribution

2022/23 update

2022/23 forecast fund balances	November's Outlook forecast (£m)	Latest levy update (£m)	Variance (£m)
Opening balance	(1.2)	1.7	2.9
Compensation	(1.5)	(2.0)	(0.5)
Recoveries	0.0	0.0	0.0
Management Expenses	(7.5)	(5.9)	1.6
Annual levy receipts	11.0	7.0	(4.0)
Total closing surplus/(deficit) Please note that the 'Annual levy receipts' includes provider contributions.	0.8	0.8	0.0
Total levies The 'Total levies' excludes provider contributions from other classes. Please note, the 'Total levies' is not the sum of each column. This row shows the November forecast in comparison to the latest levy update.	67.7	5.3	(62.4)

The levy for this class has decreased from £68m as forecast in November's indicative levy to £5m. The main reason for this is that the class will no longer be required to make a £59m retail pool contribution to the Life Distribution and Investment Intermediation (LDII) class. This is because we no longer expect the LDII class to breach its annual levy limit and require additional funding from other classes.

We are not expecting any new failures in 2022/23. However, there are close to £2m in compensation pay-outs expected which relate to firm failures in previous financial years.