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Planning

Closed Insurance Estates Preliminary Market Engagement

Financial Services Compensation Scheme

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-020724

Procurement identifier (OCID): ocds-h6vhtk-0511ad

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Scope

Description

FSCS is the United Kingdom's statutory fund of last resort for customers of financial services firms and this market sounding is specific to general insurance, FSCS may pay compensation where it is satisfied that an eligible claimant has a protected indemnity claim against an authorised insurer who is in default.

In the event of an insurer failure, primary responsibility for claims handling rests with the court appointed Insolvency Practitioner. Often the period required to resolve the failed insurer's insurance liabilities extends beyond the conclusion of any insolvency proceedings, at which point the Insolvency Practitioner is no longer appointed. This is particularly the case with 'long-tail' liabilities. In these circumstances, FSCS takes on responsibility for managing the claims run-off.

Long-tail liabilities commonly reference chronic industrial diseases and illnesses (e.g., noise induced hearing loss, asbestosis, and mesothelioma) caused by an employee's exposure to a hazardous working environment. Industrial disease and illness claims are technically complex to manage and present significant service, reputational and financial risks for FSCS should errors occur in the claims handling process.

FSCS currently manages claims for a number of closed insurance estates. Due to the

presence of asbestos related claims these insurance estates are expected to continue in run-off for the next c.20 years (based on data published by the Institute and Faculty of Actuaries, UK Asbestos Working Party update, September 2019).

There is also the potential for FSCS to directly manage the run-off of other claims types including complex structural building defect claims and 3rd party motor injury claims.

For more information about this opportunity, please visit the Delta eSourcing portal at:

<https://www.delta-esourcing.com/tenders/UK-title/VYBUYWV847>

To respond to this opportunity, please click here:

<https://www.delta-esourcing.com/respond/VYBUYWV847>

Total value (estimated)

- £10,000,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 1 April 2027 to 1 April 2032
- Possible extension to 1 April 2035
- 8 years, 1 day

Main procurement category

Services

CPV classifications

- 66000000 - Financial and insurance services
- 66500000 - Insurance and pension services
- 66510000 - Insurance services
- 66512000 - Accident and health insurance services
- 66512100 - Accident insurance services
- 66512200 - Health insurance services

Engagement

Engagement deadline

10 June 2025

Engagement process description

This is a Request For Information - This notice is intended to alert potential suppliers of the opportunity to take part in the preliminary market engagement exercise only. Interested parties are invited to respond to the questionnaire linked to this notice. The questionnaire must be responded to via the Delta e-sourcing portal. All indicative contract dates and values are purely an initial estimate at this stage and further information would be provided at any future tender stage.

Contracting authority

Financial Services Compensation Scheme

- Public Procurement Organisation Number: PNMP-1789-RLBG

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Region: UKI31 - Camden and City of London

Organisation type: Public authority - sub-central government