



Insurtech UK

Our mission is to transform the insurance industry through the use of technology,
and make the UK the global leader for insurance innovation

AUTUMN BUDGET REPRESENTATION

October 2025

Summary

Insurtech is a UK success story and significant growth sector with high export potential. UK insurtech has received the second largest share of funding globally after the USA, and the United Kingdom is home to the world's fastest-growing pool of insurtech companies.

Whilst we welcome many of the policy measures announced in the Industrial Strategy to improve the insurtech environment e.g. shorter authorisation timelines, our members regularly report frustrations with the UK's framework for entrepreneurial incentives which can act to constrain or accelerate company growth as firms scale.

This representation focuses on those policy levers which together create a more positive, enabling landscape and incentivise founders, colleagues and investors to select and stay in the UK, highlighting the need for:

- EMI: qualifying criteria to be updated from current limit of £30 million gross assets to £60 million
- SEIS - EIS: extended to all categories of insurtechs to incentivise more investment
- ASAs: the long-stop date for Advance Subscription Agreements re-extended back to 12 months

We also use this opportunity to call for progress towards HMRC's updates to the advance assurance scheme for R&D tax credits, and emphasise the need to avoid any further - and potentially counterproductive - increases to Insurance Premium Tax.

1. Introduction

Insurtech UK welcomes the opportunity to input to the Autumn Budget priorities to ensure an entrepreneurial environment that retains and strengthens the UK's leading global status in insurance innovation.

The strength of the insurtech sector

Since 2019 the **UK insurtech sector has attracted the second largest share of funding in the world** after the USA. The UK insurtech industry has seen persistent success despite cooling trends in global insurtech investment, with **funding rounds in 2024 rising 8% year on year**.

The **UK is home to the world's fastest-growing pool of insurtech companies**, with the number of insurtechs increasing since 2022 (to nearly 360 firms identified in Insurtech UK's 2025 sector study led by McKinsey [*The UK insurtech landscape: strong, shifting, collaborative*](#)) and the **highest number of insurtechs per capita** among major economies

Prior McKinsey research from 2023 [*The United Kingdom: The Nexus of Insurtech*](#) already estimated that UK insurtech had a **combined value of more than \$20 billion**, with an annual revenue of £2-3 billion, and making a **significant contribution of almost £5 billion to the UK economy (GDP)** - supporting 60,000 jobs across the UK.

Industrial Strategy and Financial Services Growth and Competitiveness Review

The government's Industrial Strategy published earlier this year **recognised both insurance and the digital/technology sectors as key future drivers of UK growth**. This echoes what we see everyday as our member firms grow their business, staff and exports whilst tackling new commercial and societal challenges.

Insurtech UK welcomed measures within the Industrial Strategy and Financial Services Growth and Competitiveness Review that support insurtech ambitions to scale. This included concrete steps set out for regulators to streamline and speed up the authorisation process, and to provide greater regulatory support to fast-growing innovative financial firms through a new “Scale Up” unit. Wider measures also included strong support for innovation through R&D funding, championing AI in financial services and the establishment of a UK captives regime - all of which will bring additional positive components to the UK’s domestic operating environment for insurtechs.

Next steps

Beyond this, there remain however several important factors within the UK’s framework for supporting companies to scale that were not addressed within the Industrial Strategy (as set out in our 2025 [update to Insurtech UK’s Roadmap for UK Insurtech Growth](#)), and which the Autumn Budget should incorporate to improve the attractiveness of the UK as a favoured jurisdiction for founders to start and grow their businesses - see section 2 below.

We would also like to see further details on developments such as an advance assurance scheme for R&D tax credits being brought forward at the Autumn Budget following on from the consultation earlier this year, and avoid any intervention to increase Insurance Premium Tax any further beyond current levels. IPT receipts are already at record levels and collectively we need to act to improve - not weaken or disincentivise - household and company economic resilience.

2. Access to Finance and Talent

Departmental interests:

- HM Treasury
- HM Revenue and Customs
- Department for Business and Trade

An ongoing priority for the UK insurtech sector is access to finance and talent. This is an area where government decision-making and policy developments can significantly impact outcomes.

Insurtech UK therefore continues to highlight the need for:

- **EMI:** The **qualifying criteria for the Enterprise Management Incentives to be updated from its current limit of £30 million of company gross assets**. This limit has remained static for many years and not increased in line with growth or inflation. For some firms reaching this limit may be due to software IP valuations or regulatory capital as opposed to a sign of company maturity.

Increasing the limit would attract more experienced talent to support insurtech firms through their vital scaling stage, especially senior technical and compliance hires. We propose **the limit should be extended to £60 million** with a review period every five years.

- **SEIS - EIS: Extending the Seed Enterprise Investment Scheme and Enterprise Investment Scheme to all categories of insurtech companies** to incentivise more investment into this high-potential sector, and to prevent a cliff edge where Managing General Agents transition to being a regulated insurance firm.

To date this successful scheme has encouraged significant funds into the growth of UK companies, but sectoral constraints on eligibility mean many insurtechs remain unable to take advantage of this initiative with an unlevel playing field relative to other technology companies.

- **Advance Subscription Agreements:** Enabling the investor to provide finance to a start-up in return for the right to purchase shares in the company at a later date, often when the company seeks its first round of equity funding. However, if there is no funding round within an agreed amount of time (long stop date) then the investment will no longer be eligible for SEIS/EIS tax relief.

In 2019 HMRC changed the long stop date from 12 months to 6 months, impacting fundraising efforts where companies may now need to rush valuations and accept sub-optimal terms. The **long-stop date for Advance Subscription Agreements should be re-extended back to 12 months**, removing the additional pressures this has created to conclude accelerated funding rounds allowing founders to negotiate better terms for quality capital with aligned investors.

3. Insurance Premium Tax

Departmental interests:

- HM Treasury
- HM Revenue and Customs
- Department for Business and Trade
- Department for Transport

It is natural ahead of any fiscal event for government to review the full suite of levers at its disposal to increase public funds, and we are very aware that Insurance Premium Tax is often cited within these conversations.

However, as representative of a rapidly-growing innovative segment of the UK's insurance sector, we are extremely wary of the potential that any further increase in tax on insurance products leading to higher insurance premiums could minimise take up of insurance, resulting in reduced levels of protection and decreased household and company resilience to economic or societal shocks.

We therefore call on the government to **freeze current rates of Insurance Premium Tax and not seek to increase IPT any further** at this time.

Beyond this there is still a role for changes to IPT to support the government's aims at the Autumn Budget of supporting business growth and addressing cost of living challenges. **IPT reliefs could helpfully be targeted to areas where new and innovative approaches to insurance products or underwriting underpin economic activity** with reliefs for e.g. cyber insurance for small and medium enterprises or telematics policies for younger drivers to reduce overheads for accessing work or training opportunities.



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As the dedicated trade association for insurtechs in the UK, our members comprise 150+ insurtechs and 30+ partners ranging from insurance companies to professional services firms supporting the sector.

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