

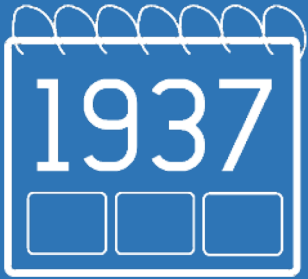
Headquartered in
Brussels



Member of



Founded in



53 member associations in 30
countries, representing
thousands of intermediaries

Sole representative of
insurance and financial
intermediaries with the EU
institutions



IDD

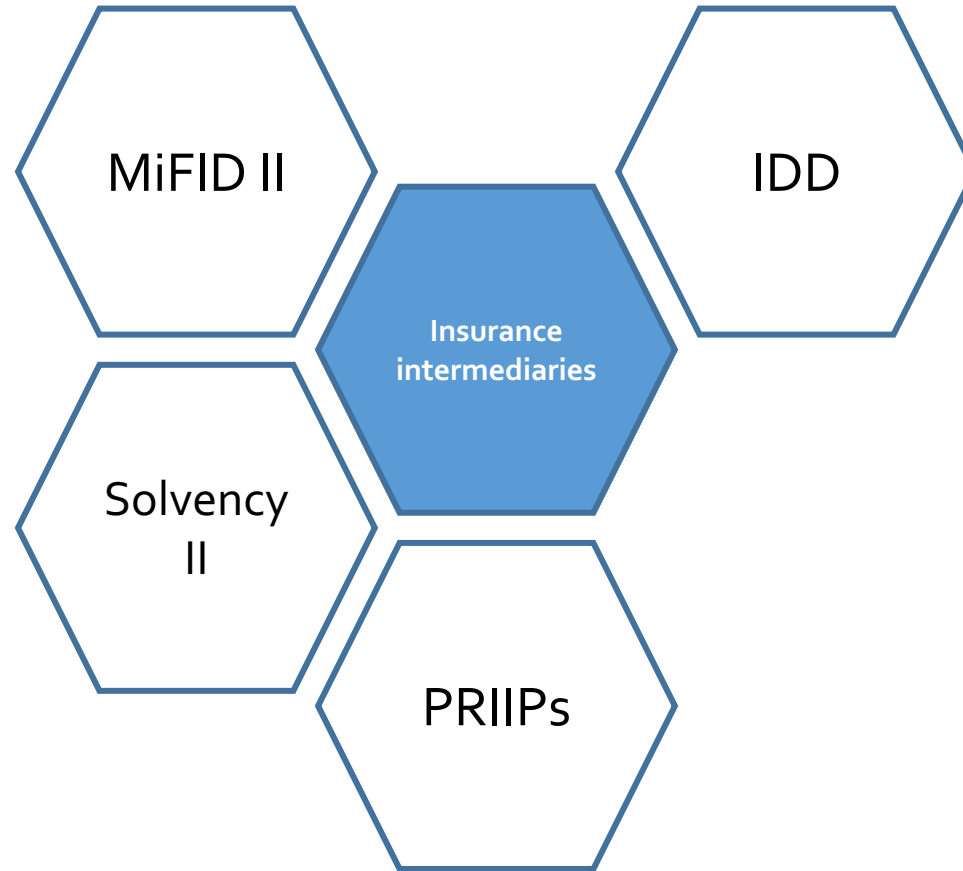
State of affairs

13 April
AIDA, Warsaw

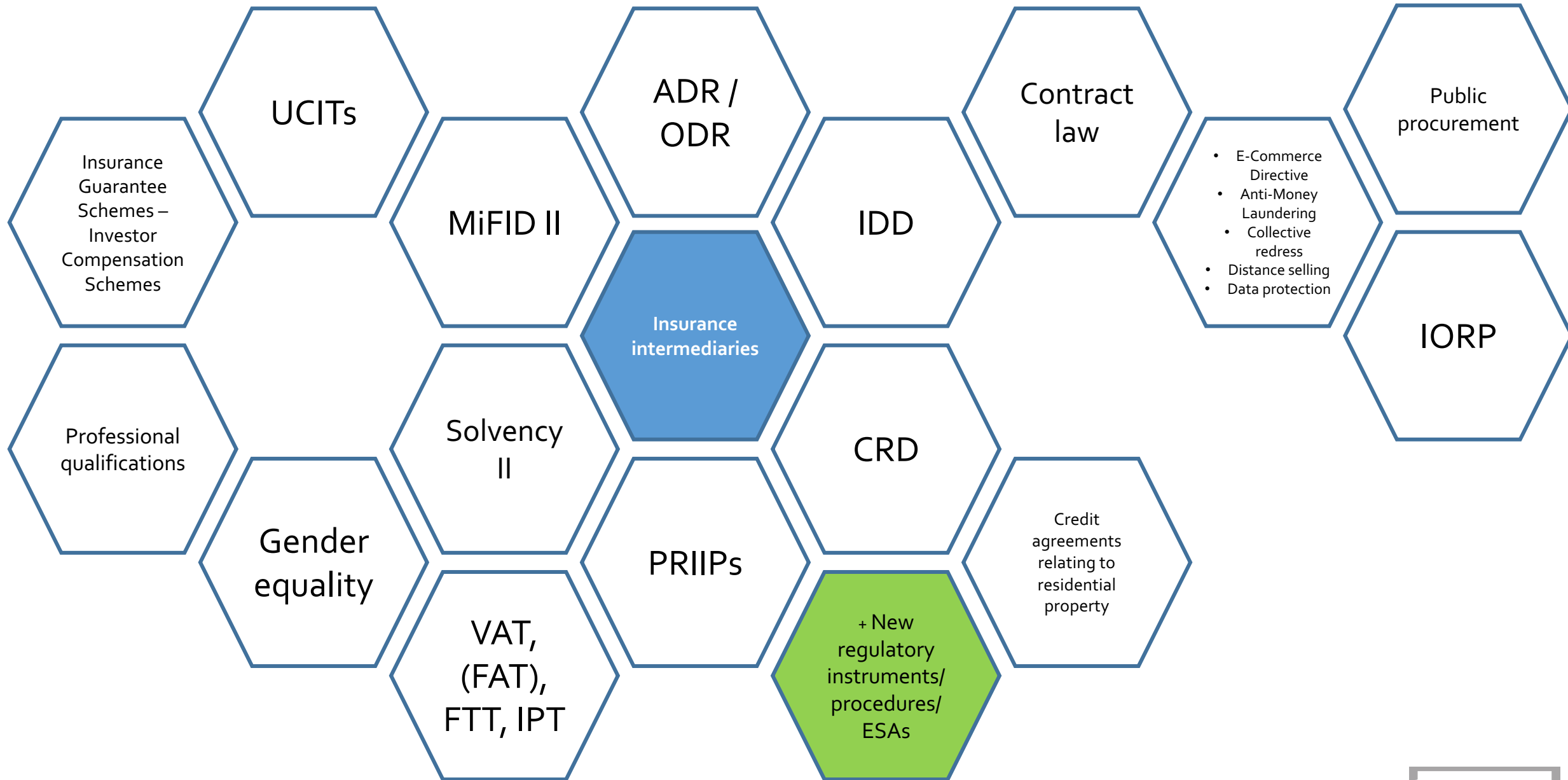
Nic De Maesschalck
Director

Background and context

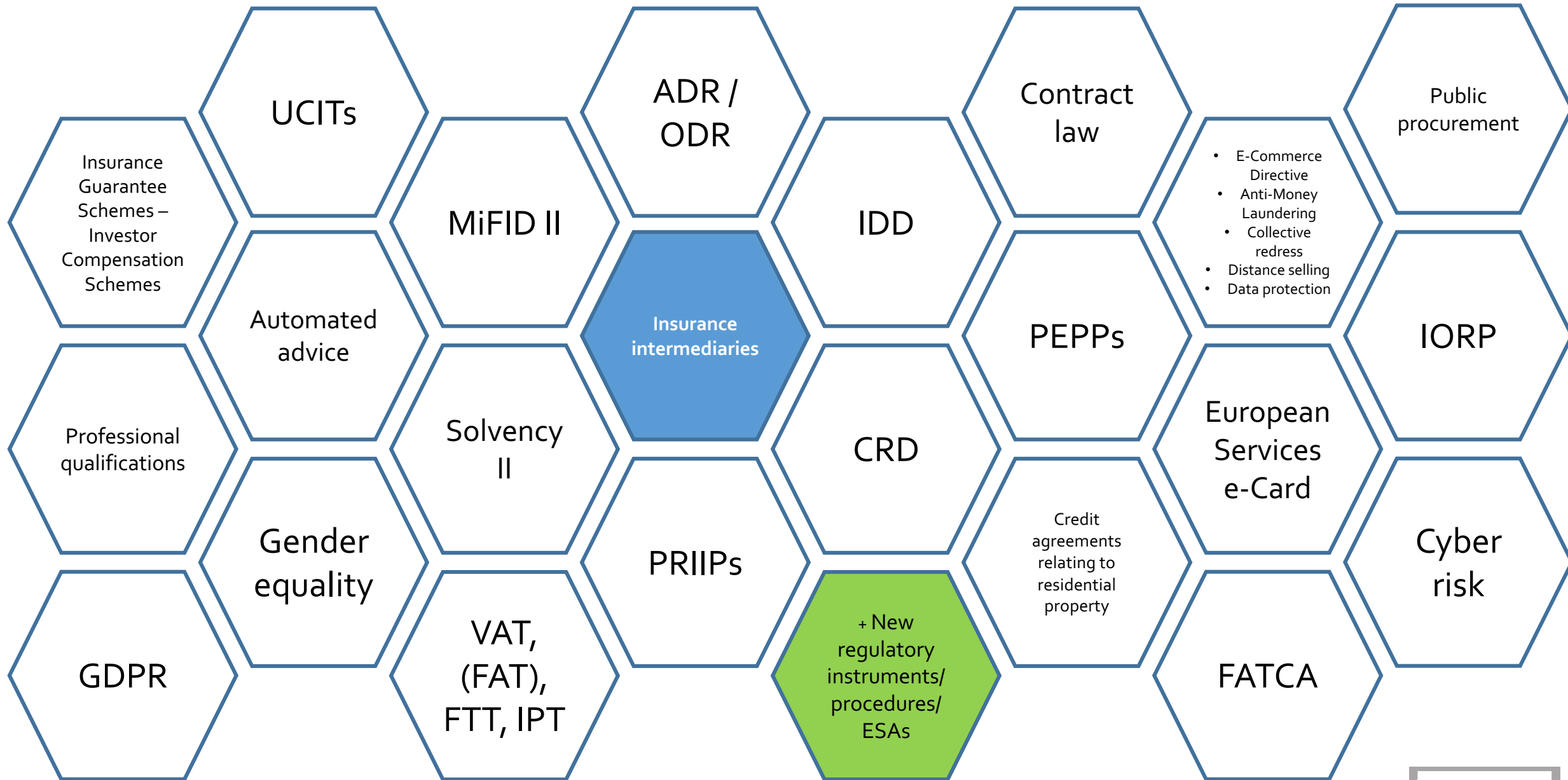
Overview of topics under discussion, revision, implementation in Europe, with a potential impact on intermediation



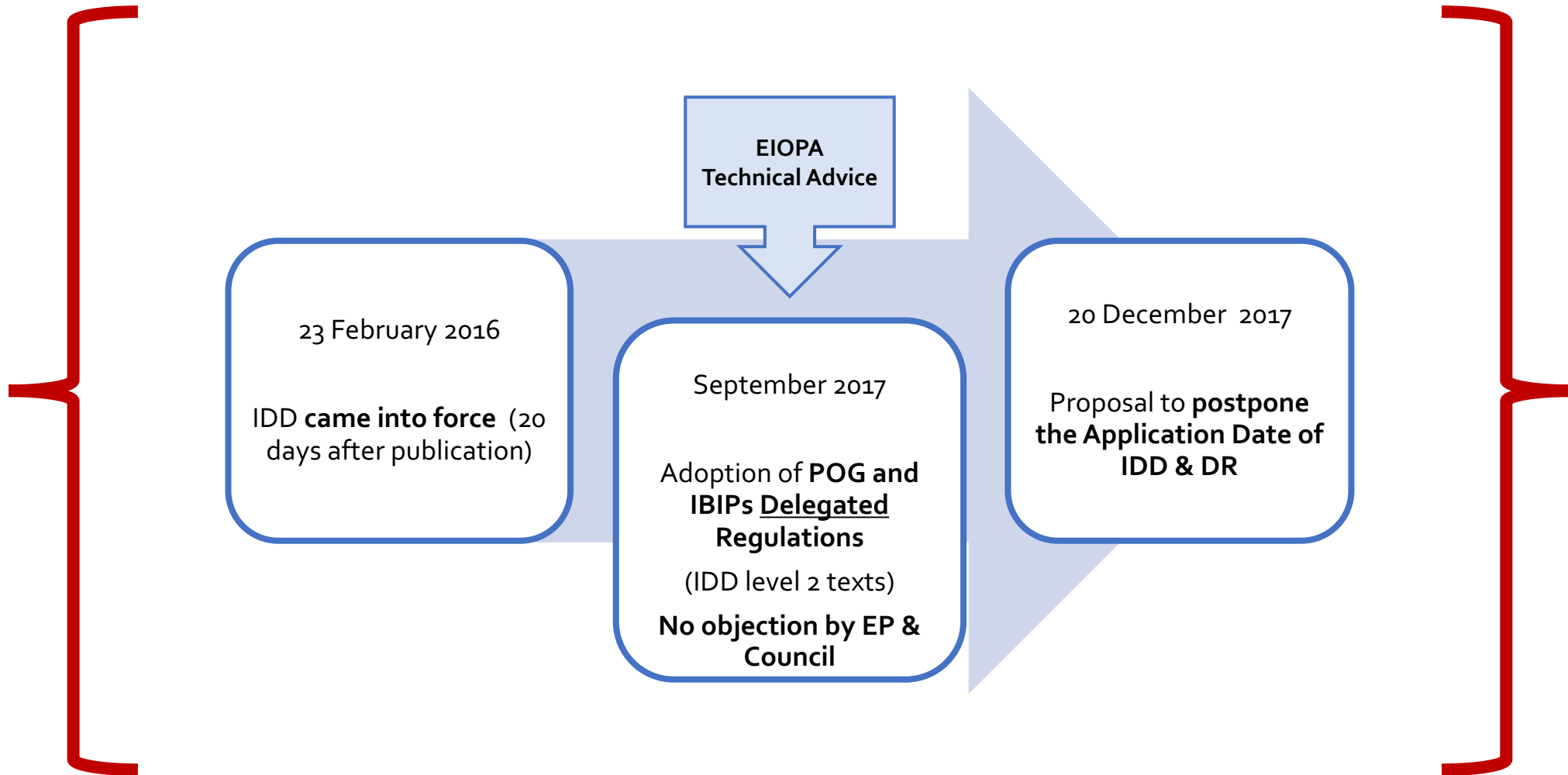
Overview of topics under discussion, revision, implementation in Europe, with a potential impact on intermediation



Overview of topics under discussion, revision, implementation in Europe, with a potential impact on intermediation



Postponement of application date



Idd implementation and application

~~23/02/2018~~

Original
implementation/
application dates
(Level 1 & 2)

03/04 2018

Expected publication of EU text
amending original IDD
implementation/ application
dates

1/07/2018

IDD NEW
implementation
date (Level 1 & 2)

1/10/2018

IDD NEW
application date
(Level 1 & 2)



Solution: retroactivity

Effects of the DELAY of application

WHAT HAPPENS IF A MEMBER STATE APPLIES THE IDD RULES BEFORE 1 OCTOBER 2018 ?

- Member States are allowed to apply the IDD before 1 October 2018
- Early application means obligation to comply with IDD-based national rules of the host MS.
- On the contrary, the IDD Delegated Regulations will only apply from 1 October 2018.

Implementation at national level

progress and **issues** in relation to implementation
depend upon the pre-existing situation in MS

SCOPE

IDD Applies to distribution of non-life, life and IBIPs products

Insurance intermediaries (brokers, agents, comparison websites)

Direct writers

Ancillary insurance intermediaries if not exempted under Article 1:

The premium does not exceed 600 euros (if duration of service is less than 3 months, the premium does not exceed 200 euros)

The risks covered are limited (travel cancellation, loss of baggages)

But : Obligations placed on direct writers/intermediaries using exempted ancillary intermediaries

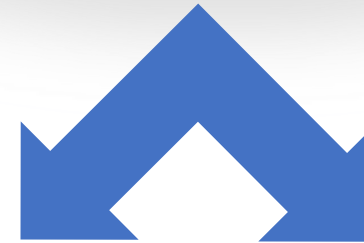
Training / development of intermediaries / staff



- Knowledge and ability for registering/licensing.
- **Continuous professional training or development** (which could include courses, e-learning, mentoring), 15 H
- Informing relevant staff of Product and Distribution policy, conflicts of interest policy)
- Also important in case of outsourcing

Product Oversight / Governance (POG)

- Insurers/manufacturers (and intermediaries manufacturing financial /insurance products) must maintain, operate and review a process for the approval of each insurance/investment product (or significant adaptation) before it is marketed or distributed to customers.



To specify an identified target market of customers for each product

To ensure intended distribution strategy is consistent with market

Selling outside target market /granularity ... in particular in Non Life

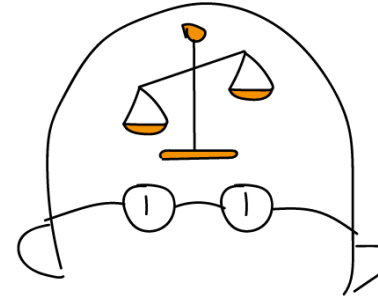
IPID

Pre-contractual information requirements

- Manufacturer
- Distributor

The screenshot shows a web browser displaying a template for an Insurance Product Information Document (IPID). The browser's address bar shows the URL: https://eiopa.europa.eu/Publications/Technical%20Standards/EN_EIOPA_IPID_template_Dec_2017.... The document content includes:

- Xxxxxx Insurance**
Insurance Product Information Document
Company: <Name> Insurance Company Product: <Name> Policy
- [Statement that complete pre-contractual and contractual information on the product is provided in other documents]
- What is this type of insurance?**
[Description of Insurance]
- What is insured?** (Green umbrella icon): A list of 13 items, each preceded by a green checkmark and the text "Xxxxxx".
- What is not insured?** (Red triangle icon): A list of 5 items, each preceded by a red "X" and the text "Xxxxxx".
- Are there any restrictions on cover?** (Red exclamation mark icon): A list of 4 items, each preceded by a red exclamation mark and the text "Xxxxxx".
- Where am I covered?** (Globe icon): A list of 1 item, preceded by a green checkmark and the text "Xxxxxx".
- What are my obligations?** (Green hand icon): A list of 4 items, each preceded by a bullet point and the text "Xxxxxx".
- When and how do I pay?** (Yellow coins icon): A list of 1 item, preceded by the text "Xxxxxx".
- When does the cover start and end?** (Blue hourglass icon): A list of 1 item, preceded by the text "Xxxxxx".
- How do I cancel the contract?** (Grey shield icon): A list of 1 item, preceded by the text "Xxxxxx".



To act honestly, fairly and professionally **in accordance with** the best interest of customers

Insurance Based Investment Products

Additional/ other requirements apply in investment world versus Non life pure life .

- Conflicts of interest Management
- Information to customers
- **(Demands and needs +)
Assessment of suitability
and appropriateness**
- reporting to customers



MiFID II

- Equivalence regime /opt out
- Firms to maintain and operate organisational + administrative arrangements to take all reasonable steps to prevent COI from adversely affecting interests of their clients (**art 16.3**)
- Firms to take appropriate steps to identify and to **prevent** or **manage** COI

IDD – COI (art 27-28)

- Scope of additional requirements = addition to art 17-20 for intermediaries and undertakings (**art 26**)
- Intermediaries and undertakings to maintain and operate organisational + administrative arrangements to take all reasonable **steps to prevent COI from adversely affecting interests of their customers. (art 27)**
- Intermediaries and undertakings to take appropriate steps to identify COI

For IBIP's : "**Mifidization**"

Independent advice

Inducements non Detrimental impact
versus
quality enhancement (MIFID II)

Summary :

Discussions depend upon the pre-existing situation in MS
Minimum vsus Maximum harmonization

Mainly around the “new” aspects :

- Ancillary intermediaries
- Continuous training
- POG - tailormade products, BtoB... , co-manufacturer
- Selling outside target market

For IBIP's : **Mifidization**

- Independent advice
- Inducements non Detrimental impact versus quality enhancement (MIFID II)

3 layer regulatory system

IDD

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Nic De Maesschalck
Director BIPAR