

Mr. Roberto Gualtieri
Chair of the ECON Committee
European Parliament
60 rue Wiertz / Wiertzstraat 60
B-1047 Brussels

Brussels, 27 July 2016

Subject: Outstanding issues in the Commission Delegated Regulation supplementing PRIIPs Regulation

Dear Mr. Gualtieri,

On behalf of the members of AMICE, the Association of Mutual Insurers and Insurance Cooperatives in Europe, we would like to make you aware by means of this letter of our serious concerns with regard to the outstanding issues in the Commission Delegated Regulation laying down regulatory technical standards with regard to the presentation of key information documents (KIDs) for packaged retail and insurance-based investment products (PRIIPs), adopted in June.

We strongly support the main objective of the PRIIPs Regulation – to enhance consumer protection by introducing a standardised key information document. Our business model is traditionally focused on client proximity and on building long-term relationships with our customers, based on trust. Our members are engaged in significant efforts to increase their transparency vis-à-vis their members/customers and to inform them as accurately as possible. Therefore, it is crucial to ensure that customers have access to meaningful, comprehensible and comparable information which will allow them to make better investment decisions.

However, we are extremely concerned that the regulatory technical standards (RTS) adopted by the Commission still contain a number of outstanding issues which must be properly and clearly addressed, e.g. the presentation of the 'biometric risk premium' for insurance products as part of the overall costs related to PRIIPs rather than on a stand-alone basis; the risk categorisation of insurance products and the calculation of credit risk; the treatment of multi-option products and their underlying funds among other issues.

We welcome the efforts of the European Commission and the ESAs to provide guidance on the remaining issues by means of a workshop on the implementation of the PRIIPs framework and level 3 measures.

Nevertheless, it is now less than six months until the PRIIPs Regulation comes into force and the legal uncertainty still persists and significant flaws remain in place. Much remains to be done in



preparation for its implementation. We do not believe that the necessary process to ensure the delivery of the KID can realistically be achieved within the current timeline.

Given the importance of the RTS, we strongly urge the European Parliament, as well as the Council of the EU, to object to the delegated act in order to allow the European Commission and the ESAs the opportunity to resolve the outstanding issues. Otherwise, these design faults will mean that consumers are misled over both the risk and the cost of insurance-based investment products, as they would appear more expensive and risky than they really are.

We would like to thank you in advance for your attention to the points presented above. We remain available for any further discussion on these issues.

Yours sincerely,

Grzegorz Buczkowski
President of AMICE