

**Comments Template on
 Consultation Paper on draft Implementing Technical Standards (ITS)
 on a standardised presentation format of the Insurance Product
 Information Document (IPID)**

**Deadline
 24 October 2016
 18:00 CET**

Name of Company:	AMICE	
Disclosure of comments:	<p>EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential.</p> <p>Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the right and by inserting the word Confidential.</p>	Public

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The numbering of the questions refers to the Consultation Paper on draft Implementing Technical Standards (ITS) on a standardised presentation format of the Insurance Product Information Document (IPID)

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Reference	Comment
General Comment	<p>AMICE, the voice of the mutual and cooperative insurance sector in Europe welcomes the opportunity to respond to EIOPA's Consultation Paper on the proposal for Implementing Technical Standards on a standardised presentation format of the Insurance Product Information Document (IPID) under the Insurance Distribution Directive (IDD).</p> <p>We would like to underline the following general remarks:</p> <ul style="list-style-type: none"> - We strongly support the main objective of the IPID as specified in the IDD – to provide consumers with the relevant information about the insurance product in a comprehensible form in order to enable them to make an informed decision. - We welcome the use of one standardised format for all non-life insurance products. Nevertheless, the proposed format pays little attention to the presentation of options and the distinction between basic covers and optional covers. Therefore, we believe that EIOPA should leave manufacturers sufficient flexibility to explain the main product features they consider relevant for the customer. - EIOPA recognises that different distribution channels (direct, intermediary, telephone, online, comparison websites, etc.) exist in different markets. It also states that the IPID must be provided to consumers in advance of the conclusion of a sale irrespective of the channel used for distribution. However, the legislation of some Member States allows the customer to conclude an insurance contract by oral consent. All the required documentation is sent to the customer immediately after the conclusion of the insurance contract. The customer is then required to pay the premium within a predefined period of time. During that period, the insurance contract is valid and in case of a claim, the insurance undertaking is bound by it. This ensures a high level of consumer protection. We call on EIOPA to allow the provision of the IPID after the conclusion of the insurance contract in

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case of telephone selling.

- Finally, it is important to ensure that the industry is given sufficient time to implement the requirements set out in the final ITS. The introduction of a new standardised format requires significant modifications to, among others, IT systems. In this regard, the industry should be provided with the final requirements as soon as possible and a proportionate and pragmatic approach should be taken in order to avoid unnecessary burden and costs.

What barriers, if any, do you see to utilising a single standardised presentation format for all non-life insurance products? If you believe barriers to a standardised presentation format exist, please describe how they could be overcome.

We support EIOPA's approach to have a single standardised presentation format for all non-life insurance products. The main goal of the IPID is to enable consumers to make informed decisions. A single presentation format can only generate meaningful product information documents if it allows manufacturers to include the specific product information document they deem important for the consumer's decision-making. In this regard, we believe that a certain level of flexibility should be given to insurers in order to adapt the IPID to their corporate identity and the wide variety of retail non-life insurance products.

With regard to the proposed format, we have the following remarks:

- **Disclaimer:** we believe that the disclaimer should be drafted in a more explicit and prominent way in order to avoid confusion for consumers. We suggest the following rephrasing: *'This Insurance Product Information Document is only intended to provide a summary of the main coverage and exclusions, and is not personalised to your specific individual needs in any way. Complete pre-contractual and contractual information on the product is provided in your policy documentation.'* In this way, the consumer will be informed that the document is

Question 1

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not personalised, nor tailored to its individual demands and needs and that he/she may ask/opt for some additional cover or options.

- **Headings:** the text of the different headings in the IPID should be made simpler and more understandable to consumers. The wording of some of the headings currently proposed by EIOPA is too complicated and may confuse consumers who for instance, might not be able to understand the difference between 'main risks not covered' and 'main restrictions and exclusions'. Therefore, we suggest merging these two sections into one single section. Similarly, EIOPA should combine sections 'duration of the contract' and 'termination of the contract'. This would ensure a more efficient use of the space and will be in line with the IDD requirements. Article 20(8) of IDD specifies the content of the IPID but does not oblige EIOPA to use a separate section for each item. Furthermore, the information to be given in these sections could be duplicative as both sections are strongly interlinked.
- **Company name:** pursuant to Article 3 of the draft ITS (page 21 of the consultation paper), the IPID shall contain the name of the manufacturer of the non-life insurance product at the top of the first page. However, in some cases where a company Y offers products that are manufactured by company X, the name of company Y should be mentioned in the IPID. This is because the latter will be the point of contact for the customer in practice. We believe that EIOPA should provide clarification on this point.
- **Company logo:** we consider that the corporate identity should be more prominent in the presentation of the IPID. The blue box at the top of the IPID should encompass the logo of the company. As consumers are familiar with the logo and company colours of local insurers, this would help them to quickly identify which company is behind the product.
- **Legal mentions:** we also believe that the IPID should contain obligatory legal

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mentions relative to the company.

- **Contact information:** in accordance with the disclaimer, the IPID should also include contact details of the manufacturer.
- **Section ‘main risks covered’:** the section ‘main risks covered’ contains a subheading while other sections do not. EIOPA should clarify the reason for the inclusion of this subheading.
- **Optional covers:** the present format does not take into account possible options within an insurance product. Manufacturers should be allowed to distinguish between basic covers and the optional covers. Consumers should be informed of the different options they have with regard to the insurance product.
- **Section ‘obligations in case of a claim’:** Article 7 of the draft ITS (page 21 of the consultation paper) states that the information indicated in Article 20(8)(e) of IDD (obligations at the start of the contract) and the information indicated in Article 20(8)(f) of IDD (obligations during the term of the contract) shall be included under the heading ‘Main obligations’. The information indicated in Article 20(8)(g) of IDD (obligation in the event that a claim is made) should be presented in a separate heading ‘Obligations in case of a claim’. However, that heading is missing in the IPID template on page 24 of the consultation paper. We suggest the presentation of the information with regard to obligations at the start of the contract, during the term of the contract and in the event of a claim is made into one section with several subheadings.
- **Date of the IPID:** The IPID needs to be kept up to date resulting in different versions of the document. Therefore, we suggest inserting at the bottom of the document the date on which the IPID was developed by the manufacturer.
- **Digital format:** We welcome EIOPA’s willingness to develop a format that is digital-friendly. In this regard, we believe that insurers should be allowed to use an

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information button in digital IPIDs in order to achieve a layered approach where more detailed explanations can pop-up for the different sections.

- **Presentation of multi-risk policies:** EIOPA states that multi-risk policies should be presented in a single IPID as the provision of multiple IPIDs would be against the spirit and objectives of the IPID. Multi-risk policies usually encompass basic covers and optional covers, as well as other elements of choice (i.e. insured sum, the extent of the geographical scope for some travel insurance contracts etc.). However, it seems difficult to fulfil the length restriction of two pages of A4-sized paper for such policies. Therefore, some flexibility should be allowed with regard to the length of the IPID for multi-risk policies so that the information contained in the IPID is accurate and non-misleading. EIOPA should also provide clarifications on the presentation of multi-risk policies with optional covers. It is unclear whether the sections 'insured sum', 'main exclusions', etc. should contain information on the basic cover or also on optional covers.

Do you agree that visual aids such as icons and symbols used to distinguish different information requirements in the IPID should be highly standardised at a European level?

We agree with EIOPA that the use of icons and symbols in the IPID will assist the consumer in quickly identifying and easily finding particular parts of a set of information.

Nevertheless, we believe that the icons should be accompanied with headlines that correctly describe the information provided, otherwise there is a risk of misinterpretation of the icon.

Regarding the 'geographical scope' of the product, as EIOPA rightly points out on page 11 of the consultation paper, the use of a single country flag may generate confusion as some guarantees may extend beyond a given territory. Instead of a flag, we suggest using a globe. This would also allow the consumer to easily recognise the icon

Question 2(a)

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	when the IPID is reproduced in black and white (in accordance with Article 20(7)(c) of IDD).	
Question 2(b)	<p><i>Are there any circumstances in which it is necessary to allow for differences in any such icons between Member States? If so please explain the circumstances.</i></p> <p>We believe that some flexibility should be given to manufacturers in cases where icons may serve the purpose better if adapted. In this regard, we would like to point out the following remarks:</p> <ul style="list-style-type: none"> – Currency symbol (€): we believe that the use of a currency symbol as an icon for the section ‘insured sum’ is not suitable. The pictogram with currency symbol implies something to pay and might mislead consumers. It seems that this pictogram is more suitable for the section ‘payment’. Moreover, the currency symbol should be adapted to match the local currency of a Member State. – Flag: as mentioned above, the use of a single country flag may generate confusion as some guarantees may extend beyond a given territory. Instead of a flag, we suggest using a globe. – Company logo: there might be cases where some icons are used as company logos (i.e. umbrella, handshake etc.). In such cases, EIOPA should allow insurance undertakings to use a different icon. 	
Question 3(a)	<p><i>In what circumstances do you consider that it will not be possible to include the information required under the IPID on two sides of an A4 page?</i></p> <p>As mentioned above, the main goal of the IPID is to enable consumers to make informed decisions. It should be a short and concise document presented in a way that is clear and easy to understand. For these reasons, we support EIOPA’s proposal to set out the main features of a non-life insurance product in an IPID which does not exceed</p>	

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	<p>two pages of A4-sized page.</p> <p>Nevertheless, some flexibility should be allowed with regard to the presentation of multi-risk policies. We consider that some multi-risk covers might require 3 pages in order to be accurate and non-misleading.</p> <p>It is also necessary not to oblige insurers to produce a recto-verso document as some might not have the possibility to print two pages on a single sheet.</p>	
Question 3(b)	<p><i>Do you foresee any difficulties with prescribing a font type and font size?</i></p> <p>We believe that there is little added value in prescribing details like the font type. It seems possible to have a standardised font type and font size for all IPIDs provided that they are generally available to insurers and compatible with all ICT systems. In any case, the final ITS need to specify that the font type and font size should be easily printable and convertible into digital files.</p>	
Question 4(a)	<p><i>What challenges do you think a manufacturer would face, and how would these be overcome, in adapting the IPID to be compatible with provision via digital media such as websites, tablets or smartphones, including with preserving the fundamental aspects of the standardised presentation format?</i></p> <p>Adapting the IPID to be compatible with provision via digital media such as websites, tablets or smartphones, will require significant efforts from, among others, the IT departments of insurers. In this regard, a tight implementation deadline will be a major challenge for manufacturers. Companies must therefore be left with sufficient time following the adoption of the final ITS to effectively prepare and prevent additional and unnecessary costs.</p> <p>A predefined standardised presentation format should not impede manufacturers to adapt the IPID to the digital world. In order to overcome the abovementioned challenges, we believe that a flexible approach should be adopted towards digital</p>	

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	<p>IPIDs. We agree with EIOPA that the medium-friendly format has to maintain the fundamental aspects of the prescribed presentation format as much as possible. However, manufacturers should be allowed to make the IPID as accessible and easily readable as possible for consumers that want to read the IPID in digital format.</p> <p>The use of two columns for the presentation of the IPID is not the most appropriate approach bearing in mind that some consumers might want to be able to read the IPID on their smartphones or tablets. The screen width of these devices is hard to reconcile with a two-column IPID.</p>	
Question 4(b)	<p><i>What benefits do you see for the manufacturer in making the IPID compatible with the provision via digital media?</i></p> <p>The use of digital tools and media facilitate interactivity between businesses and consumers. However, even with the growing importance of digitalisation, the use of paper documents should remain an option as some consumers might still prefer it.</p> <p>EIOPA rightly points out that it is not unusual for businesses to provide information to consumers in different formats depending on the medium used to provide the information. Therefore, we believe that manufacturers should be given the possibility to choose the appropriate digital media and tools (use of links, pdf file or use of a layered approach, such as information button or tool-tip caption) according to the national specificities of the market or the distribution channels preferred and used by them.</p>	
Question 5	<p><i>What do you consider are the main cost drivers for the standardised presentation format (not including the efforts associated with the collection, identification and assimilation of the information itself) and at what point will they occur?</i></p> <p>We consider the following to be the main cost drivers for the IPID:</p>	

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- One-off costs related to the development of IPIDs for the broad range of retail non-life insurance products;
- Ongoing costs for keeping IPIDs up to date;
- Costs related to the setting-up of IT systems (one-off costs) and the maintenance of such systems (ongoing costs);
- Ongoing costs related to the circulation of the IPIDs to the distribution channels;
- Ongoing costs for record-keeping;
- Ongoing costs related to training of staff and intermediaries;
- Ongoing costs related to the provision of the IPID to the customer (such as printing costs; postal charges; update of websites etc.).

Do you agree with EIOPA's approach to focus primarily on consumers (i.e. retail customers) in developing the IPID?

We agree with EIOPA's approach to focus primarily on consumers in the retail market when developing the IPID.

The IPID has little value for **professional customers** given the generally customised and bespoke nature of commercial contracts. In general, these contracts are tailor-made to the company's needs and risks to be covered making it difficult to produce a standardised document.

Therefore, we believe that EIOPA should clarify in the final ITS that the IPID is only to be provided when the policyholder is a natural person who is acting outside the scope of an economic activity (trade, business or profession).

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EIOPA should also clarify that the IPID is not to be required for **collective insurance** such as group insurance or insurance based on collective agreements negotiated between social partners or between an employer and a trade union. For these contracts, the insurance coverage is tailor-made to the needs of a group of customers or employees and is quite different from individual insurance contracts which are more standardised. Collective contracts can still maintain a high degree of consumer protection without being subject to the obligation to provide a standardised product information document.