

**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:	Association of British Insurers	
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

Please follow the following instructions for filling in the template:

- ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool
- ⇒ Leave the last column empty.
- ⇒ Please fill in your comment in the relevant row. If you have no comment on a paragraph or a cell, keep the row empty.
- ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.

**Please send the completed template, in Word Format, to [CP-16-007@eiopa.europa.eu](mailto:CP-16-007@eiopa.europa.eu).**

**Our IT tool does not allow processing of any other formats.**

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)

**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**

<b>Reference</b>	<b>Comment</b>	
General Comment	<p>The Association of British Insurers (ABI) is the leading trade association for insurers and providers of long term savings in the UK. Our 250 members include most household names and specialist providers who contribute £12bn in taxes and manage investments of £1.8trillion.</p> <p>The ABI recognises the benefits of providing consumers with high level information in a consistent format at an early stage of the sales process. However, there are a number of challenges presented in developing a standardised format that works well for consumers across all European non-life insurance markets. It is therefore important that the Implementing Technical Standards provide some flexibility for both National Competent Authorities and firms in tailoring the approach for different customer groups.</p>	
Question 1	<p>The consumer testing carried out to date has focussed on a paper document. This is somewhat disappointing, given that the vast majority of non-life insurance products are sold online in the UK. Even where the sale is not completed online, many consumers research and compare products online, often via mobile devices, prior to concluding the contract. It is vital that the standardised presentation format provides sufficient flexibility to accommodate online channels. A single column format for the template is likely to be more adaptable to different mediums, including online channels, for example.</p> <p>It is also important that insurance providers are able to provide layered information throughout the sales journey. For online channels, this may be implemented via expandable sections or hyperlinks. In order to cross reference information contained within other policy documents, some insurers may wish to use the logos and/or section headings from the IPID for other documents. This would help develop familiarity with the IPID and enable consumers to quickly access additional information for relevant sections. Insurers should be provided the flexibility to ensure that the</p>	

**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**

IPID can be embedded into the existing sales journey in a manner that is consumer friendly and informative whilst complementing other information displayed. The IPID will be less effective where it becomes an additional policy document that has no bearing on other parts of the sales process.

Any standardised format set at European level should be able to accommodate minimum point of sale disclosure requirements established by national regulators, including those derived from the Solvency II Directive in relation to applicable law and complaints rights. UK insurers are also required to present cancellation rights within pre-contractual information, so we would expect to see this captured within the termination section. Furthermore, insurance providers have developed customer communications over time to ensure that the most relevant information is displayed prominently at an appropriate juncture in the sales journey. There may be significant pieces of information for individual products that do not fit within the existing IPID sections. In recognition of this, we would recommend provision of an 'additional information' section, or the flexibility to add a small amount of information that helps reflect the diverse nature of non-life products across the single market.

We are of the view that insurance providers should be permitted to reflect their corporate identity within the IPID. This would help consumers to quickly link the IPID to an individual product. This would be best served by providing space for a company logo in a prominent position. In some cases, the product manufacturer responsible for presentation of the IPID would be an intermediary and it may be necessary to reference the underwriting insurer within the same document.

Article 20(8) establishes the information which shall be contained within the IPID, but does not prescribe a set format for EIOPA in developing Technical Standards. As such, we do not agree that the section headings should be the same as the list of required information contained within the Directive. The language used is not consumer friendly and the information could be presented more simply within fewer sections. The 'main risks not covered' and 'main restrictions and exclusions' could be combined into a

**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**

single section to avoid duplication. Similarly, the 'duration of the contract' and 'termination of the contract' should be presented together. In the UK, the Financial Conduct Authority has recently published a series of documents on 'Smarter Consumer Communications' which are aimed at improving consumer choice and decision making; by providing information about products in a manner that is engaging and comprehensible; and by providing information at the appropriate time and through appropriate channels. In particular, this challenges the use of jargon in consumer facing material and encourages a more flexible approach to communications. We do not consider that the current IPID template is consistent with this approach and would recommend that a question and answer format could provide a more accessible document, as demonstrated within the Insurance Europe draft IPID.

We disagree with the view outlined within the consultation paper that more complex products would typically be too difficult for consumers to understand (1.20). There are clear benefits for consumers in having access to more flexible products, including modular policies, breakable bundles and cover extensions. It is important that the IPID does not act to restrict the provision of more individualised products to meet consumer needs. In the UK, insurers have been amending sales processes to ensure that optional additional products are introduced at a relatively early stage of the customer journey. In some cases, this means that supplementary policies are introduced on an aggregator site in order to facilitate a comparison. It is unclear how these various formats are expected to be presented within the IPID, given that 'any customer personalisation will be done via the policy terms and conditions, not the IPID' (1.6). As the Directive requires that the IPID is 'accurate and not misleading', it is important that optional aspects of a product are appropriately presented.

The proposed template does not work well for commercial products. As such, we believe they should be explicitly excluded from the requirement to present an IPID. Further information is provided in response to question six. The ABI agrees with the principle of a single presentation format for the IPID. We recognise the benefits of providing consumers with high level information in a consistent format at an early

**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**

	stage of the sales process. There are a number of areas where standardisation presents challenges for the insurance industry and it is important that the Implementing Technical Standards provide some flexibility for both National Competent Authorities and firms in tailoring the approach for different customer groups.	
Question 2(a)	The ABI supports the use of visual aids, including icons and symbols, within the IPID. It is important that the symbols used are easily recognised and are as clear when presented in black and white as they are in colour. The icons should also be made available for use in other policy documents so that consumers can readily access additional information relating to sections contained within the IPID.	
Question 2(b)	<p>As outlined within the consultation paper (2.2.5), the currency symbol should reflect the national market(s) within which the product is available.</p> <p>We disagree that a national flag should be used as a symbol for geographical scope where this is not intended to reflect the coverage. This is especially pertinent for travel insurance, where such information is vital in determining the suitability of a particular product. Furthermore, national flags cannot be well presented in a black and white format. We would instead propose that a generic symbol is used for this section, if indeed the geographical scope cannot be incorporated within the main cover and/or main exclusions sections instead.</p> <p>Further work should be undertaken to establish whether any of the symbols currently proposed are already used elsewhere within financial services literature. We are conscious that symbols, such as the umbrella sign, are used as corporate logos for insurance undertakings.</p>	
Question 3(a)	We support a short page limit for the IPID, recognising that this is not intended to provide all contractual information. There are circumstances where it may be necessary to supplement the IPID with other documents, or additional pages, in order	

**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**

	<p>to meet minimum point of sale disclosure requirements at national level.</p> <p>It is unclear how EIOPA would propose that the minimum length is applied for online channels where the IPID is presented in a dynamic form. We would recommend that a flexible approach is taken, allowing firms to present the minimum information required within comparable sections, but which enables the use of layering so that elements of the IPID can be expanded.</p> <p>In response to question one, we have outlined some of the difficulty in incorporating variable limits and cover enhancements within the IPID in a meaningful way. In some cases, where an additional policy is purchased exclusively alongside a primary insurance product, it may not be necessary to present a full IPID for the secondary product but this could instead be presented in one additional page. In other cases, where the consumer selects a level of cover within a multi-risk product before the IPID is displayed, it may be beneficial for insurers to reflect those choices within the document where possible.</p> <p>It would be easier for product manufacturers to work with a short maximum document length if they were able to vary the size of individual sections, and if certain sections were merged together, as outlined in response to question one. Combining sections would also serve to reduce the amount of text overall.</p> <p>A two page limit would not be feasible for the majority of multi-risk commercial insurance products.</p>	
Question 3(b)	<p>We do not agree that it is necessary to standardise the font type. We are concerned that prescribing a single font type does not allow insurers to ensure consistency between their consumer communications. Font types and colours can help consumers associate documentation with a commercial identity and may be used to enhance engagement and reflect the differences between products.</p>	

**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**

	<p>Furthermore, we understand that the font proposed would need to be purchased by firms as it is not always available within existing design software and would not necessarily be compatible with insurer IT systems. We would instead propose that a minimum font size should be adopted and that firms should be able to use their own fonts.</p>	
Question 4(a)	<p>Given that the vast majority of consumers will access the IPID through digital media, it is important that further testing is undertaken to establish how best to present the information online. A single column format for the IPID could be more easily adapted for presentation via different communication channels, font types and sizes may need to vary within dynamic templates and providers should be able to present information using a layered approach.</p> <p>The EIOPA consultation comments that the IPID 'must be provided to consumers in advance of the conclusion of a sale irrespective of the channel used for distribution' (1.7). However, Article 3 of the Distance Marketing Directive provides for limited information to be given, subject to the explicit consent of the consumer, in the case of voice telephony communications. It is our understanding that this approach would remain permissible under the Insurance Distribution Directive and the IPID would not need to be provided prior to the conclusion of the contract.</p>	
Question 4(b)	<p>It is vital that the IPID is accessible via digital distribution channels as it would be predominantly viewed online in the UK. We anticipate that most firms would implement the IPID by means of a fixed document. However, in future providers may seek to present a more dynamic form with additional information linked to each of the prescribed sections. It is important that any technical advice supports this development and is tied to a static two sided A4 document.</p> <p>Consumers are also increasingly accessing product information at different stages, often researching products through mobile devices before concluding a sale online or by telephone. This will mean that the IPID could be presented several times in</p>	

**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**

different forms within the same customer journey. Product manufacturers are already giving more prominence to communications via digital media, reflecting changing consumer behaviours, and the Implementing Technical Standards should provide flexibility to accommodate further technological developments.

Development of the IPID represents a major industrywide IT development programme and there are a wide range of factors affecting the costs incurred in meeting these requirements. The short timescale is the most significant of these, and it is important that the Implementing Technical Standards provide sufficient detail to afford the industry a full 12 month period to scope and build the relevant systems changes. This is particularly complex for intermediated channels, where there is considerable reliance on third party software providers to implement the requirements, and those which involve aggregator sites. Product manufacturers will also need to map the final IPID requirements against existing national regulatory requirements and other sales material to ensure that an appropriate amount of information is presented to the consumer. As with any major change to the sales journey, providers will need to monitor the impact on sales, claims and complaints over time in order to assess the impact and ensure good consumer outcomes.

Standardisation of the IPID will serve to increase costs for firms. As set out in response to question three (b), we are of the view that firms should be able to use their own font types and colours for printed documents whilst meeting minimum font size requirements. For digital media channels, it may also be necessary to vary the font size.

The point at which the IPID is displayed will also have some bearing on costs. For intermediaries distributing through aggregator sites, the IPID will either need to reflect customer choices which dictate the product selected, or be generic enough to acknowledge the range of cover available from underwriters on the broker panel, if it is to be displayed as part of the initial quote results page. Presentation on individual provider sites would be more straight forward, but it is still important that cover limits

Question 5



**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**

	<p>and variable aspects of products are reflected in a way that is accurate and not misleading.</p>	
<p>Question 6</p>	<p>The draft IPID presented within the consultation paper has clearly been designed and tested with retail consumers in mind. As such, the proposed format would not be suitable for the vast majority of commercial products, which typically offer a greater level of individual personalisation and cover multiple risks. Commercial policies are also more likely to be sold on an advised basis and purchased by more informed customers. Whilst recognising the benefits of a simple pre-contractual summary document for small business customers, the proposed format would require significant changes in order to meet the requirements of Article 20(7) and this would not be possible for EIOPA, National Competent Authorities, or commercial insurance providers within the given timescales.</p> <p>It is essential that there is clarity regarding this matter at the earliest possible stage. If Member States are able to determine which types of customers the IPID should be provided to and therefore to exclude commercial policies, this should be explicit within the Implementing Technical standards.</p>	