

**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:	BIPAR	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential.  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.	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> <li>⇒ <u>Do not change the numbering</u> in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool</li> <li>⇒ Leave the last column <u>empty</u>.</li> <li>⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.</li> </ul> <p><b>Please send the completed template, in Word Format, to <a href="mailto:CP-16-007@eiopa.europa.eu">CP-16-007@eiopa.europa.eu</a>.</b></p> <p><b>Our IT tool does not allow processing of any other formats.</b></p> <p>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)</p>		

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Reference	Comment
General Comment	<p>BIPAR welcomes the opportunity provided by EIOPA to comment <i>on EIOPA 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)</i></p> <p>BIPAR is the European Federation of Insurance Intermediaries. It groups 53 national associations in 30 countries. Through its national associations, BIPAR represents the interests of insurance intermediaries (agents and brokers) and financial intermediaries in Europe. More information on BIPAR can be found on: <a href="http://www.bipar.eu">www.bipar.eu</a></p> <p>Regarding the content of the Annex 1, BIPAR believes that the heading "Main obligations" should clearly distinguish three obligations set out in art. 20 (8) IDD: “obligations at the start of the contract” (e), “obligations during the term of the contract” (f), “obligations in cases of claim made” (g). No additional obligations should be added as the main aim is to inform the consumer on coverage.</p>
Question 1	<p>BIPAR wishes to emphasize the difficulties resulting from the implementation of a standardised IPID model. Indeed, the latter is not necessarily compatible with the specificities of non-life insurance products, which must sometimes meet legal provisions related to their specificities and potential developments. This situation will not allow to adopt a same presentation if you wish to provide clear information to the customer whose attention will only be drawn by a changing formalism that is adapted to the specificities of the product on which he/she must be informed before signing the contract.</p>

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A standardized format could be counterproductive. BIPAR is concerned that this will not encourage insurance players to underline the specificities of certain products. The difference of quality between two non-life products is often to be found in (important) details which probably will be not reflected in an IPID.

It must also be ensured that the proposed format will not prevent firms from using their corporate branding/styles which aid customers in recognising from whom the documentation comes.  
 Customers might actually become confused when comparing offerings from firms. It is also important that enough space is made in the header of the IPID for the firm to include its logo.

The IPID should be a generic, a non-personalised document. If it would become a personalized document this may lead to the following problem: How to personalise a standard document? This would be against the IDD (level 1) philosophy.

If this document is personalised, we suggest indicating, in a preamble and in addition to the name of the insurer, **the imprint of the insurance intermediary** with whom the customer has purchased his/her insurance policy, since the intermediary is the privileged contact of the customer throughout the duration of his/her contract. If the IPID must be a kind of roadmap for the customer, who will probably prefer to look at the roadmap than at his/her contract during the duration of his/her insurance policy, it is worth mentioning in the roadmap the name of the intermediary who will be his/her contact person and who will provide him/her with advice and answers to his/her questions.

At the top of the EIOPA proposed IPID document, it is written "*This document provides a summary of the key information relating to (...). Complete per-contractual and contractual*

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	<p><i>information on the products is provided in the full policy documentation".</i></p> <p>We believe that it would also be wise to draw the policyholder's attention to the <b><u>need to be fully aware of the terms of the insurance contract and to refer to them expressly</u></b>. This would be in line with the IDD article 20.7 g).</p> <p>An additional line such as "<i>Ask your insurer/intermediary about the terms of your contract</i>" could be added. Clients need to be aware of the importance to understand the content and the meaning of their contracts.</p>	
Question 2(a)	<p>BIPAR believes that the use of icons and symbols on the IPID can improve comparability and understanding.</p> <p>However, BIPAR highlights the risks that may be associated with the use of this type of visual indicators. The use of images and symbols may perhaps facilitate the standardization of the IPID but would undoubtedly result in unclear information. If the idea is, for instance, to mark an optional cover that is deemed "essential" with a red symbol while this coverage might not be essential for other types of client, the information will be not be adapted to customers. Imposing a standardised information document could go against the very objective of an IPID (i.e. to help offering suitable products) and the protection of customers' interests by depriving him of a tailor-made advice.</p> <p>On the use of a flag as a symbol for geographic scope; consumers may mistake a national flag as the territorial limit of a product when a wider region is covered or vice versa.</p>	
Question 2(b)	<p>BIPAR wonders whether the use of standardised icons is always possible at European level. Some icons may easily be understood everywhere in the EU while some others may not.</p>	

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Allowing differences in symbols or in colour codes is essential. Indeed, a cover in a given country is not necessarily subject to the same legal regime in other Member States. Since there are differences arising from the diversity of legal frameworks, it is necessary to highlight the legal insurance specificities of each Member State with symbols or different colours.

Besides it is also important to recall that the IDD indicates that the IPID must be able to be printed in black and white.

BIPAR believes that restricting the length to a maximum of two sides of A4 may fit with behavioural economists' view of peoples' attention span, but seriously constrains what can be put into the document to ensure the aim of giving customers enough information to make an informed decision, is met. Whilst permitting a maximum of two sides may focus the mind on what is really significant in the policy, in some jurisdictions this may lead to legal uncertainty in terms of liability for the parties involved in the contract. The difference of quality between two non-life products is often to be found in (important) details which probably will be not reflected in an IPID.

Furthermore for some complex insurance products, specific information underpinning the issue of the cover and the insurable risks may be so different that a two-sided A4 page is not necessarily enough. Moreover, as legal evolution is not necessarily the same for all non-life insurance products, it seems essential to keep some flexibility in terms of content of the IPID and therefore also in terms of the size of content, so that the IPID can be adapted according to the evolution of the legislation applicable.

Some policies do provide a wide range of cover (home insurance and travel insurance are two examples) so EIOPA saying that if a product requires a longer IPID or indeed, several

Question 3(a)

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	<p>IPIDs (as per point 1.20 in the consultation paper) then it indicates that the product is too complex, could end up in poorer outcomes for consumers. There is a risk of sections of cover being stripped out to fit the significant features/exclusions of what is left, into a two-sided A4 document.</p> <p>The difference between two car insurance products may be in the details which will not per se appear in the IPID. A client could thus well misjudge the products and therefore in every IPID it should be clearly mentioned that the consumer must read the contract and contact a distributor or an intermediary.</p>	
Question 3(b)	<p>BIPAR wonders what the point of prescribing a font is. Shouldn't the focus be on the content of the IPID? Member States should be given flexibility on the issue. Besides BIPAR wonders what triggers the use of font size 9.8pt. Selecting font size 9.8pt on applications such as Microsoft Word is impossible.</p>	
Question 4(a)	<p>The format must be flexible. BIPAR believes that it is important to ensure that the adaptation of the IPID to digital format does not result in misleading information or missing content.</p> <p>On p 14, point 3.6., EIOPA considers the possibility to make <u>digital</u> versions of IPIDs <u>more detailed</u>, thanks e.g. to pop-ups. EIOPA states: <i>“Pop-ups providing additional information can lead to a divergence between the paper and digital content of the IPID, but it would be difficult to justify denying customers the opportunity of obtaining more information just for the sake of preventing that divergence of content.”</i></p> <p>Although we have sympathy for this “pop-up” format, we wonder what the legal</p>	

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	<p>consequences of two different IPIDs (digital and paper) for the same product are.</p> <p>Furthermore, BIPAR also wishes to insist on a major operational problem, especially with regard to its potential cost. If product designers were subject tomorrow to a standardised format for all non-life insurance products, they would have to review their EDIs (Electronic Data Interchanges) - which are different depending on the products and potential partnerships - in order to make them compatible with the compulsory format. All this would be very expensive.</p>	
Question 4(b)		
Question 5	<p>IT development will be an important if not the main cost driver for the standardized IPID.</p> <p>The standardization of the IPID would harmonise all pre-existing EDIs in order for them to match the required format. A very important, long and therefore expensive development would be needed.</p>	
Question 6	<p>Yes, we totally agree and support EIOPA approach.</p> <p>BIPAR believes that the IPID should not be applicable to taylor made products.</p> <p>Technically, the standardization of the IPID appears very complicated, the content of the information document and its formalisation cannot be the same for a consumer and for a professional client.</p> <p><b>BIPAR specific comments on EIOPA proposed draft technical standards</b> <i>Article 8 - Use of icons</i></p> <p>Article 8 lists the colours required for each icon (and Article 7 references the blue box at</p>	

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the start of the document). EIOPA needs to specify the specific RGB colour codes for these, to ensure, for example, that consistency/comparability is achieved and so that the green or yellow are sufficiently dark to ensure they are visible when the colour document is photocopied in black and white.

Article 8 says the coloured icons do not apply if a document is to be photocopied in black and white. Does this mean that icons do not need to be included within the document at all (or that they all can be produced in black)? Also, firms do not produce documents with the intention that they will be photocopied, so it would be useful to have confirmation from EIOPA that the intention is that the colour icons will be legible when photocopied in black and white. Of course, black and white does not work with a national/EU flag icon!

A general observation is that shaded backgrounds, whilst looking nice, require the use of a lot of ink and so will increase costs for the firms producing them, which ultimately will have to be borne by customers.