

**Comments Template on EIOPA-CP 11/007**

**Deadline**  
**03.01.2012**  
**12:00 CET**

**Draft proposal for Report on**  
**Good Practices for Disclosure and Selling of Variable Annuities**

Company name:	Association of French Insurers (FFSA)	
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><i>Please indicate if your comments on this CP should be treated as confidential, by deleting the word <b>Public</b> in the column to the right and by inserting the word <b>Confidential</b>.</i></p>	Public
<p>The paragraph numbers below correspond to the questions raised in the grey boxes of EIOPA Consultation Paper No. 11/007.</p> <p><b>Please follow the instructions for filling in the template:</b></p> <ul style="list-style-type: none"> <li>⇒ <u>Do not change the numbering in column "Reference", or any other formatting in the file.</u></li> <li>⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a question, keep the row <u>empty</u>. Please do not delete rows in the table.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific question numbers below.             <ul style="list-style-type: none"> <li>○ If your comment refers to multiple questions, please insert your comment at the first relevant question and mention in your comment to which other questions this also applies.</li> </ul> </li> </ul> <p><b>Please send the completed template to <a href="mailto:CP_007@eiopa.europa.eu">CP_007@eiopa.europa.eu</a>, in MSWord Format, (our IT tool does not allow processing of any other formats).</b></p>		
<b>Reference</b>	<b>Comment</b>	
General Comment	The Association of French Insurers (FFSA) understands the aim for EIOPA to establish a report on good practices for disclosure and selling of products that may appear as complex products such as variable annuities.	

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	<p>However, it might be difficult to assess the legal significance of such a document and especially regarding the uncertainty that lies on treatment of insurance products in the context of the upcoming Packaged Retail Investment Products (PRIP's) directive. At this stage, it is unclear whether variable annuities will fall within the scope of PRIP's. Therefore setting out best practices on a moving subject doesn't seem appropriate.</p> <p>The FFSA is of the opinion that the report on good practices for disclosure and selling on variable annuities should stick to general principles. In its current state, the report seems too prescriptive and might anticipate future measures. It might be risky indeed to introduce specific features as FAQ or key features that would not be in line with precontractual requirements under which insurance products are regulated.</p> <p>Regarding good practices in the intermediation area, the report preempts in the same way upcoming rules to be decided as part of the revised directive (IMD).</p>	
Q1.	<p>Variable annuities are sold in the strict respect of the precontractual and contractual regulation. Key features Documents are specific documents that one can find e.g on the UK market but that are not into force in France. At this stage there's no reason why such a document in its particular format would be disclosed.</p>	
Q2.	<p>The FFSA supports a high level of consumer protection but as insurance distribution markets vary significantly across Europe, a prescriptive regulatory approach would have negative implications both for markets and consumers at this stage.</p>	
Q3.	<p>The recent consultation on PRIP's at the initiative of the European Commission pointed out three broad areas:</p> <p><input type="checkbox"/> the scope of the initiative ;</p>	

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	<p><input type="checkbox"/> the broad legislative approach to be followed ;</p> <p><input type="checkbox"/> the content of a possible regime for product disclosure.</p> <p>The FFSA would like to stress the need to avoid duplication of disclosure requirements regarding precontractual information, particularly when it is not clear whether variable annuities will fall under the scope of the PRIP's directive.</p> <p>There is a risk of information overload since as mentioned by EIOPA, insurance companies have to follow all legal and regulatory requirements notwithstanding EIOPA's good practices proposal.</p> <p>Disclosure should be a concise body of relevant information. Good practices regarding precontractual information should be based on general principles and not subject to prescriptive measures that aren't legal or regulatory.</p>	
Q4.		
Q5.		
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Q14.		

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Q15.	<p>According to the recent consultation opened by the European Commission on the revision of the Insurance Mediation Directive (IMD), this directive aims to guarantee a high level of consumer protection. The IMD has also established a legal framework, aiming at a high level of professionalism and competence among insurance intermediaries.</p> <p>Insurance intermediaries are required to provide comprehensive information to the consumer prior to the conclusion of any initial insurance contract.</p> <p>The Commission also addressed specifically cross-sectoral inconsistencies regarding the marketing of investment products through its PRIP's initiative.</p> <p>Therefore, it doesn't seem appropriate to add to the IMD directive by any recommendation even based on good practices.</p>
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