



**Comments Template on
Consultation Paper on the proposal for Guidelines under the Insurance
Distribution Directive on insurance-based investment products that
incorporate a structure which makes it difficult for the customer to
understand the risks involved**

**Deadline
28 April 2017
18:00 CET**

Name of Company:	CNCIF - Chambre Nationale des Conseillers en Investissements Financiers	
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">⇒ 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 <u>empty</u>.⇒ 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>.⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-17-001@eiopa.europa.eu.</p> <p>Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the questions refers to the Consultation Paper on the proposal for Guidelines under the Insurance Distribution Directive on insurance-based investment products that incorporate a structure which makes it difficult for the customer to understand the risks involved</p>		
Reference	Comment	



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General Comments		
Question 1	<p>We consider that suitability/appropriateness assessment should be applied with no exception for all types of IBIPS, in order to ensure that the insurance intermediary obtains all relevant information necessary to assess whether a specific insurance is suitable appropriate for a specific customer.</p> <p>Furthermore, the logic of "execution-only sales of IBIPS" clearly contradicts the French Regulator (ACPR) approach which considers that the insurance product should not be sold without a suitability or appropriateness process.</p> <p>Finally, we believe that the idea of considering only the complexity of underlying financial instruments is too restrictive: the insurance product should not be considered only as an investment product but also as a specific contractual relationship between an insurance undertaking and a customer, which can have a significant impact on this customer's personal interests. Consequently, the product should not be sold without at least a suitability or appropriateness process.</p>	
Question 2	As mentioned above, execution-only sales of IBIPS shall not be admitted.	
Question 3	As mentioned above, execution-only sales of IBIPS shall not be admitted.	
Question 4	As mentioned above, execution-only sales of IBIPS shall not be admitted.	
Question 5	We have no comment.	
Question 6	We have no comment.	
Question 7	We have no comment.	



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We consider that a "product-based principle" should be more appropriate than the "underlying financial instruments approach" to identify complex and non-complex IBIPS.

Indeed, even if an underlying financial instrument of an IBIP is considered as a non-complex instrument pursuant to Article 30(3) of the Directive ("*Guideline 1 – Investment exposure to the financial instruments deemed non complex under Directive 2014/65/EU 1.13. For the purposes of Article 30(3)(a)(i) of the IDD, the insurance intermediary or insurance undertaking should ensure that the insurancebased investment product only provides investment exposure to the financial instruments deemed noncomplex under Directive 2014/65/EU. Such noncomplex financial instruments include only the following instruments: (a) those identified in Article 25(4)(a) of Directive 2014/65/EU; (b) those satisfying the criteria in Article 57 of COMMISSION DELEGATED REGULATION (EU) .../...of 25.4.2016 supplementing Directive 2014/65/EU as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive*"); (c) those not deemed to be complex in accordance with ESMA Guidelines on complex debt instruments and structured deposits") the content, features and/or the insurance product management can be complex, especially from the point of view of a thorough customer protection.

In particular, the product features (risks involved, surrender fees, mechanisms of guarantees...) must be explained to the client in order to obtain his free and informed consent.

Furthermore, Example 5 ("*A unit / index linked product where the customer can select from different underlying investment options, including various non_structured UCITS and various shares traded on a regulated market. The product does not have any*")

Question 8



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other structures which make it difficult for the customer to understand the risks involved") needs further explanation, particularly with regard to the definition of "various non-structured UCITS". Indeed, it may be difficult for the customer to understand/identify the underlying instruments. In this case, the customer should have all the relevant information about selected underlying financial instruments.

Question 9

We have no comment.