

Comments Template on EIOPA-CP 13/016 Consultation Paper on a Draft Report on Good Supervisory Practices regarding knowledge and ability requirements for distributors of insurance products		Deadline 23 September 2013 12:00 CET
Company name:	Association of International Life Offices Luxembourg (AILO)	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. <i>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.</i>	Public
<p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering in column "Reference", or any other formatting in the file.</u> ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>. Please do not delete rows in the table. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies. ○ If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment relating to the corresponding paragraph. <p>Please send the completed template to CP-13-016@eiopa.europa.eu, in MS Word Format, (our IT tool does not allow processing of any other formats).</p> <p>For your convenience, the complete list of questions is outlined below:</p> <ol style="list-style-type: none"> 1. <i>Does this Report address the most relevant issues? If not, what other aspects should EIOPA consider?</i> 2. <i>Is this Report helpful in informing the debate over appropriate knowledge and ability requirements for distributors of insurance products (particularly, in the light of the current</i> 		

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<p><i>negotiation of the IMD2 proposal)?</i></p> <p>3. <i>Do you consider that the high-level principles cover the right aspects of knowledge and ability?</i></p> <p>4. <i>Does the section on continuous professional development (CPD) cover the most relevant issues?</i></p> <p>5. <i>What do you think of EIOPA's suggestion, as an example of a minimum level of CPD, of 30 hours study activities within a period of 3 years (or an equivalent amount on an annual basis)?</i></p>		
Reference	Comment	
General Comment		
Q1.	In principle "yes", however we believe that particular consideration should be given to the application of the practices to cross-border mediation activities.	
Q2.	<p>Yes, particularly as it is appropriate that the same requirement should apply to all types of distributor. However, as acknowledged by EIOPA there is currently much disparity across Member States, not only as to the level of knowledge but in some instances that required for particular types of mediation. For example personal general insurances, commercial covers and investment life and pensions products are all totally different and require different types and levels of ability and knowledge.</p> <p>The approach taken in some Member States which categorise at least some registration according to the type of mediation activity intended to be undertaken has merit and may be particularly relevant in the cross border context. For example, in the UK it was a requirement pre dating IMD1 for intermediaries active in selling life and pensions products to be registered unlike counterparts in general insurance. But, if State A has minimal and non-categorised requirements while State B has high level and categorised requirements for domestic intermediaries it would seem powerless to impose requirements on a State A passporting intermediary (other than any which would be permissible general good).</p>	

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Q3.	Yes, but see Qu.4	
Q4.	In principle "yes" but again there may perhaps be a lacuna in respect to cross border activities. Thus an intermediary might carry out significant activities in State B on a FoS basis. Logically that will require adequate and current knowledge of tax and other issues in State B. The State A competent authority may consider that knowledge to be a necessary requirement but short of onsite inspections who will or can assess ongoing competence?	
Q5.	Again in principle the suggestion is sound but needs to be proportionate to the activities carried out. For more complex forms of mediation such as investment life insurance which is subject to constant changes for example to tax and regulation then annual assessment would seem relevant though again competent authorities need to be aware of the risk of intermediaries having to spend disproportionate time on administrative and training matters to the detriment of their business activities.	