

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:	eficert (European Financial Certification Organisation), c/o VBV/AFA, Mr Matthias Stettler, Laupenstrasse 10, PO Box 8625, 3001 Bern	
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	<p>The European Financial Certification Organisation (eficert) founded in November 2002 is the largest professional and educational organisation for insurance education in Europe. The members of eficert are associations and institutes, which actively represent the educational interests and ideals of their sector industry wide throughout the territory of their European countries of origin in insurance, building society and/or financial services sector that meets the standards of eficert. As EIOPA is the umbrella organisation of the national supervisory organisations, eficert is a network organisation of all national educational and vocational training organisations in Europe.</p> <p>The harmonisation of the European Market requires uniform standards in vocational education in the financial services sector. Eficert sets these standards based on national educational systems and qualifications. Those standards target output-oriented systems and qualifications. The certification system bases on national educational courses in the financial services sector that meet the standards of eficert.</p> <p>It is important to differentiate between supervisory institutions and the national educational and vocational institutions. Supervisory institutions are protecting the consumer and surveying the insurance industry market. The national educational and vocational institutions develop and produce all educational and vocational training in the insurance industry market.</p> <p>Therefore those organisations are responsible for all educational and vocational concerns including the definition of and its adaption to appropriate knowledge and CPD respecting national needs.</p>	

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	<p>It is essential that supervisory institutions will not produce education. Their task is to supervise the institutions whether they respect those defined minimal standards with offered education. To define the content of each specific education should be up to the institutions of educational and vocational training.</p> <p>The main aspect of respecting the diversity and flexibility is to focus on when proceeding with definitions and regulations. Nationally rooted organisations for educational and vocational training to the specific insurance industry market are able to create adequate CPD. They act targeted on the market needs and respect the protection of consumers.</p>	
Q1.	<p>This report includes important points we agree upon in respect of the needs of CPD and some instruments of measuring achieved assets. Surveillance belongs according to our opinion to national supervisory bodies especially in the context of education and training.</p> <p>We clearly missed statements about who gets the responsibility to define appropriate knowledge and CPD according to high-level principles. It is crucial to delegate those definitions to mainly concerned national organisations/institutions of educational and vocational training.</p> <p>Another issue we certainly missed is a definition of a qualification level, which is especially important to mutual recognition of different national qualifications. We refer to level 3 of the European Qualification Framework established under the recommendation of the European Parliament and Council of 23 April 2008 on the establishment of the European Qualifications Framework for lifelong learning as demonstrating that an insurance or reinsurance intermediary meets the requirements of knowledge and ability, which are a condition of registration in accordance with IMD2.</p>	
Q2.	<p>The report provides a good overview of the topics, which EIOPA finds important in terms of consumer protection in relation to IMD2 and thus provides a basis for discussion on this topic. However, there are concerns regarding the lack of educational perspective in relation to national situations and needs, which are crucial for future implementation.</p> <p>There is a need of collaboration with the European network organisation for insurance education and training (eficert), who gets the overview of the national educational systems of the insurance industry in Europe.</p>	
Q3.	<p>We consider that the high-level principles developed in the draft report cover the right aspects of knowledge and ability an insurance intermediary should comply to, but the frame of those aspects should define general principles only. We have some concerns of narrowing down the national organisations and creating an inflexible and too specific work especially concerning the following</p>	

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	<p>aspects:</p> <ul style="list-style-type: none"> • Legal aspects: too strongly favouring European legislation is not appropriate. For consumers it is much more important to understand the national laws. • High-level principles: too inflexible and partly irrelevant to national requirements; there should be a national scope of action to level training requirements to well situated and organised structures. 	
Q4.	<p>CPD and qualification for appropriate knowledge and abilities defined in the draft report covers important issues and provides a good basis for discussion especially as far as the involvement of national organisations is concerned. on a national level a European guideline focussing CPD and education has to be easily and pragmatically implemented. This indicates respecting diversity and flexibility.</p> <p>According to our opinion, it is extremely important to define the target group for obligatory registration and education reasonably. We do not think of expanding CPD to distributors who sell insurance, which is complementary to the goods or services supplied in their principal activity. For a better understanding of our plea, we give you one very specific example out of a heap: an employee in a travel agency who sells alongside the travel package an insurance policy for covering cancellation fees should hardly belong to a target group for obligatory registration and education.</p>	
Q5.	<p>Some sort of quantifiable measurement is necessary, as long as it stays output-oriented. This means that a purely quantifiable measurement is not appropriate and target oriented. We prefer to have CPD in a professional and output-oriented way respecting formal and non-formal education inside and outside of insurance companies as long as there is an external supervisory body, which is responsible for recognition.</p> <p>We are convinced that the national organisations of educational and vocational training find a professional way of getting valid instruments alongside their national systems to measure performed and achieved educational and vocational training.</p> <p>To define the exact amount of educational and vocational training as a national comparable measure is up to national organisations of educational and vocational training and their supervisory bodies. European regulations should only mention the fact, that achieving minimal standards is necessary in order to be able to get the registration.</p>	