

**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:	Financial Services Consumer Panel (FSCP)	
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>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.</p>	Public

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- ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool
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Please send the completed template, in Word Format, to CP-16-007@eiopa.europa.eu.

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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)

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Reference	Comment	
General Comment	<p>The Financial Services Consumer Panel is an independent statutory body, set up to represent the interests of consumers in the development of policy for the regulation of financial services in the UK.</p> <p>The Panel welcomes this opportunity to comment on EIOPA's proposed for Technical Standards on a standardised presentation format of the Insurance Product Information Document (IPID).</p> <p>The Panel is broadly supportive of the proposed draft Implementing Technical Standards. The Panel has answered questions where it has substantial comments, namely on standardisation and the length of the IPID, online distribution and SMEs as a type of customers to consider in the distribution of the IPID.</p>	
Question 1	<p>The Panel believes a single IPID will not be sufficient to cover all aspects of insurance products in cases where such products have more than one type of policy. The Panel recommends EIOPA to require additional IPIDs be made available to consumers when offered add on policies. This can be the case with legal insurance attached to home insurance for example. A single IPID will not capture all the terms and conditions of such separate policies and can be mis-leading to consumers. As such, any separate policy should be subject to a separate IPID.</p>	
Question 2(a)	<p>The Panel welcomes standardisation to the extent that it enables comparability of products by consumers and helps avoid regulatory arbitrage by firms. The Panel would challenge the need for standardisation where icons and symbols have different interpretations depending on the Member State. The Panel understands that consumer testing has not been carried out in all Member States. At the risk of increasing consumer confusion, the Panel would argue for further consumer testing to be carried out more extensively to ensure potential differences in interpretation of icons and</p>	

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	<p>symbols are duly taken into account whenever relevant.</p> <p>Under geographic coverage, the Panel believes that the use of a flag will increase consumer confusion. As it stands, it will not be clear if the flag is meant to indicate the scope of the coverage or just the section where consumers can consult coverage in relation to the product they are buying which can be mis-leading. The Panel suggests using initials of countries to indicate coverage of the product and a location symbol to define the section in the IPID where consumers will be able to find that information.</p> <p>There is a strong case for same font size in the IPID to be used in all Member States. It is often the case that consumers do not read terms and conditions because they are set out in very small print so this needs to be appropriately addressed through binding regulation.</p>	
Question 2(b)		
Question 3(a)	<p>Yes. The Panel believes a single IPID will not be sufficient to cover all aspects of insurance products in cases where such products have more than one type of policy. The Panel recommends EIOPA to require additional IPIDs be made available to consumers when offered add on policies. This can be the case with legal insurance attached to home insurance for example. A single IPID will not capture all the terms and conditions of such separate policies and can be mis-leading to consumers. As such, any separate policy should be subject to a separate IPID.</p>	
Question 3(b)	<p>No. The Panel would argue that font size needs to be set by binding regulation. It is often the case that consumers do not read terms and conditions because they are set out in very small print so this needs to be appropriately addressed.</p>	
Question 4(a)		
Question 4(b)	<p>Primarily online companies will opt for a digital version of the IPID. Likewise, consumers are more likely in the future to prefer digital to paper communication.</p>	

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	<p>Consumers should at any time be able to choose their preferred communication channel for receiving pre-contractual and contractual documentation, i.e. in digital or paper format.</p> <p>The way that the IPID in digital format is presented to consumers should be clear and accessible regardless of the channel of communication. It is important that the standards for the digital version of the IPID are equivalent to a paper version, not just in terms of accessing the information but how easy to read and understandable it is. The IPID should also be provided in a format that can be easy to download so as to enable consumers to print it.</p> <p>The Panel would urge EIOPA to make this clear in its Technical Standards and place the onus on firms to adopt formats that are in accordance with the above requirements.</p>	
Question 5		
Question 6	<p>The Panel would urge EIOPA to include SMEs as part of the focus customers of the Technical Standards. Many small businesses, especially microbusinesses, face similar challenges in the market for financial services as do retail consumers but do not get the same regulatory protection as they are considered to be more financially sophisticated¹. There appears to be an assumption that a consumer, merely because he or she is engaged in business, is in some way more financially literate or sophisticated and thus less deserving of protection than an individual consumer. The Panel believes that deeming a firm to be 'sophisticated' is not appropriate until a firm is large enough to employ a professional in-house finance officer or accountant.</p> <p>Thus, the Panel believes that EIOPA should take into account the specificity outlined above and consider as part of their work a separate IPID for SMEs with a summary cover.</p>	

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¹ For more on Panel activities around SMEs please refer to the Panel's March 2016 response to the FCA's Discussion Paper on approach to SMEs as users of financial services.