

**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:	ICODA European Affairs	
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
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering</u> 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-16-007@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 draft Implementing Technical Standards (ITS) on a standardised presentation format of the Insurance Product Information Document (IPID)</p>		

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Reference	Comment
General Comment	<p>These comments are written from the point of view of an SME buying insurance as SMEs are also customers of insurance undertakings. The L1 text intends to include these customers, for example for group insurance (see consideration 49 of the L1 text - IDD).</p>
Question 1	<p>Comment: The purpose is to compare product offers, not to compare products of different classes of insurance. The items to be mentioned are laid down in the directive. However, one standardized presentation format may mean that for all non-life products the same length and designs needs to be respected. Is this feasible for group contracts?</p> <p>Rationale: SMEs wanting to buy insurance will compare different providers for a particular cover, and will not compare different insurance lines.</p> <p>Solution: A common nucleus is certainly welcome, and most probably required given the L1 requirements for IPID content. In addition, it may be an option to have a full standardized format for the most common covers such as motor TPL (line 10) and fire insurance (line 8).</p> <p>Comment: There is no need for one format for all non-life products. Some elements in e.g. group contracts may require more details.</p> <p>Rationale: In terms of barriers for utilizing one single format for all non-life contracts, certain elements such as e.g. a summary of the cover, main exclusions, and obligations in the event of a claim can be more extensive for a group contract than for a retail contract.</p> <p>Solution: A different format may therefore be warranted for group contracts vs retail contracts.</p> <p>Comment: There is also the issue of multi-risk policies. Each ancillary cover of a multi-risk policy can and should use the same standardized but separate presentation format.</p> <p>Rationale: it is unclear how a clear separate information document about the ancillary cover can be against the spirit of the directive to enhance comparability.</p> <p>Solution: However, should EIOPA insist on one IPID for a multi-risk contract, such</p>


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	<p>multi-risk contract IPID may need to be more extensive than a non-multirisk contract IPID, especially on the relevant items such as main risks covered, not covered, insured sum and restrictions and exclusions.</p> <p>Comment: Regarding the proposed standardized presentation format in Annex 1, some elements are unclear:</p> <ul style="list-style-type: none"> - Is "xxxx insurance" the reference to the legal name of the insurance cover according to the LOB in annex 1 of the SII directive? - Is "product: policy X" a reference to the marketing name of the product? - Can the logo be added in the banner, provided it fits within the banner? The L1 text does not seem to exclude it. - As the item 'payment' refers to the means of payment and the duration, and not the price, there is no information foreseen regarding taxes, and other levies. Correct? - Company: XYZ insurance: this should be the full legal name, including legal form ? - Does the document have to include somewhere the authorization number of the insurance undertaking? Especially in a cross-border situation this can be useful. - Main restrictions and exclusions: does this section include information about the deductible or deductible regime? If not, where can the customer find information about the deductible? - Main restrictions and exclusions: Is there a link to the target market in this section? - Would it not be better to use the terms of the directive in annex 1: 'main risks insured' instead of 'main risks covered'? 'Main risks not insured' instead of 'main risks not covered'? 	
Question 2(a)	<p>Comment: Icons and symbols are most useful if unambiguous and acceptable across the EU.</p> <p>Solution: Main risks not covered: would it not be better to use the umbrella symbol but with an X across the umbrella so as to clearly mark the contrast?</p> <p>Are these icons available as pictures (jpg or other, in high pixel definition) in the draft ITS so that they are immediately available to all insurance manufacturers or does every provider need to recreate them? Are they part of the icon library of most software/publishing programs?</p>	

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Question 2(b)	<p>Comment: Duration of the contract: the proposal is to use the icon of an hourglass. Rationale: Can this not be confused with the waiting time for example in a health insurance cover?</p> <p style="text-align: right;"></p> <p>Solution: would an icon of a calendar not be less ambiguous? Example: Comment: Insured sum: is the insured sum always in euro? Rationale: Not all EU member states are Eurozone members. There may be a local currency symbol. (In that case, is for comparative reasons the insured sum required in euro too?) Solution: a neutral reference to a currency (if that exists).</p>	
Question 3(a)	<p>Comment: Yes, in case of multirisk products, it may not be possible to include the information required under IPID on two sides of an A4. Rationale: A motor casco cover, consisting out of a TPL cover, an additional casco cover, legal assistance, insurance of the driver, and assistance cover cannot possibly explained on all these points in one page so as to give the detail necessary for each of these covers. The items: main risk covered; main risks not covered; main restrictions and exclusions; insured sum; payment; are all relevant and different from the main cover. Having to push all these elements in 2 pages may result in customers not being aware before contracting for example of ancillary covers' restrictions and exclusions. Solution: allow for multirisk policies to have an IPID per cover especially if the ancillary cover is available as a separate cover. A solution referring by analogy to the threshold for ancillary cover of 200 euro is not useful : some main household or SME covers may not carry a premium >200 euro (e.g. fire insurance for a rented office consisting out of one room).</p>	
Question 3(b)	<p>Comment: No. This is a draft ITS, a technical standard. It will however take away the specific look and feel of marketing material of each insurance provider. Rationale: During the IORP II co-legislative process, the European institutions were often ridiculed for focusing on futile issues: the Commission's L1 text proposal</p>	

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	contained prescriptions on font type and size for the PBS. However, in a technical standard such prescriptions can be expected.	
Question 4(a)	<p>Comment: A paper based IPID needs probably to be remade for e-publishing, especially when involving tables. Please note that in EIOPA's proposal for draft directive, the following item is mentioned twice: main obligations (on p 21 last item, and on p 22 first item); and that the item: obligations in case of a claim is not mentioned in the example of annex 1.</p> <p>Rationale: If the paper version is not retyped/remade, the e-version is merely a photo and loses the typical advantages for an e-version (for iPad for example) such as making the text bigger, smaller, without losing on the quality/readability of the text.</p> <p>Solution: the standardized presentation format may need to be adapted to one column. Focus on the fundamental aspects, i.e. the ten blocs of the proposal in annex 1 and agree on an order. It might be relevant to number the items in art 7 so as to make it more clear that 10 items need to be present and to regroup main obligations (indicated in article 20 (8)(e), (f) and (g)).</p> <p>The publication in the OJ of the final ITS should be e-version friendly</p>	
Question 4(b)	<p>Comment: If the IPID format is compatible with digital media provisions, it will not only be beneficial to the manufacturer but also to the customer.</p> <p>Solution: 10 items, agree on order, no obligation for table. The way the IPID is published in the OJ may already be part of this solution.</p>	
Question 5	<p>Comment: depending on the final format, there may be additional costs for the digital version of each IPID.</p> <p>Rationale: digital formats are not necessarily a copy/paste of a paper format.</p> <p>Solution: to assure that the prescribed format is valid = workable, both for digital and paper versions.</p>	
Question 6	<p>Comment: I do not agree. The L1 text does not only protect retail consumers, but also SME consumers which do not search for large risk covers. Art 20 consistently refers to customers, and not to retail consumers. Art 20,5 refers to the manufacturer of non-life insurance products and makes no difference in terms of customer (but does not seem to include this obligation for non-life reinsurance products). It was not the intention of the co-legislators to exclude insurance customers which are SMEs (see the reference</p>	

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in consideration 49).

Rationale: Many self-employed, professionals, artisans, and (very) small and medium sized companies are also insurance customers who do not have specialized risk departments buying insurance covers for their assets and/or professional liabilities. It is not correct to presume that all SMEs exhibit sophisticated insurance knowledge. See for example also FCA thematic review, May 2015, Handling of insurance claims for Small and Medium-sized Enterprises (SMEs): <https://www.fca.org.uk/publication/thematic-reviews/tr15-06.pdf>) "*SMEs are less likely to be sophisticated customers and many exhibit similar knowledge and experience to that of retail consumers when buying general insurance products*". The right customer protection implies that the customer, including SMEs, know the necessary information about what is covered and what is not covered, and the sum insured, at the point of sale, not at the point of claim.

Comment: It is quite surprising to read that EIOPA finds it difficult to envisage the benefits of the IPID being provided to commercial customers. Does EIOPA think that e.g. all plumbers, painters, nurses, artists whether self-employed or operating via a small company are insurance specialists because cover is bought via a legal person, or because they have a commercial status?

Rationale: The benefit of comparability should also extend to all non-large risks, i.e. products specific for professionals, artisans, SME's. There is no immediate need to change the format.

Solution: IPIDs should be made available for all non-life insurance products which do not qualify as large risks.