	Comments Template on Consultation Paper on Technical Advice on possible delegated acts concerning the Insurance Distribution Directive	Deadline 3 October 2016 18:00 CET
Name of Company:	Intesa Sanpaolo S.p.A.	
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Reference	**Comment**	
General Comment		
Question 1		
Question 2		
Question 3	We think that the proposed arrangements are precise and proportionate to the	

	complexity and risks embedded in the products, as well as to the nature, dimension and complexity of the manufacturer. However, in light of the width of the insurance market, both in terms of variety of products, as well as of target markets, we think it would be important to allow for some flexibility (within the overall framework and principles of POG arrangements) in order to meet the differences of various products or target markets. For example, an exemption from the requirement to prior identify the target market should be set for insurance covers that are mandatory by law, as the target markets are identified by the law itself (e.g. professional insurance cover) or by the insurance contract - which may require to fulfil some particular requirements to be valid (e.g. for property insurance, the contract requires to own a property to be valid). Furthermore, when tailoring the products for the target clients, or when defining the target market, the manufacturer may elaborate on information provided by the distributor. The cooperation between manufacturer and distributor on the tailoring of products and on the definition of target market, is key for an effective distributive policy – able to responde to the needs of consumers, as identified in recital 54 of the consultation paper. However, this cooperation does not necessarily entail an overlap between the role of the distributor and that of the manufacturer – hence it should not be considered as "acting as manufacturer". We think the final advice should clarify this point to ensure an effective dialogue between the distributor and the manufacturer, for the benefit of consumers. With reference to product monitoring (also with reference to guidelines 8 and 9 of EIOPA's Preparatory Guidelines on product oversight and governance arrangements published in March 2016), we think it should be clarified that the POG arrangements shall apply to products that are still marketed by the time the Directive enters into force. As per products that have been placed but are no longer marketed, we think that one-to-one arrangements under exceptional circumstances can be established in order to avoid a detrimental impact on the customer - as it would be impossible to modify such products, given that are no longer marketed.	

	As per recital 52 and guideline n.18 – we think it would be helpful to further clarify in the final technical advice the exceptional circumstances under which distribution to customer outside the target market is permitted and for which insurance products this is allowed. The fact that the distributor determines in detail the effective target market, does not mean that he/she does not respect the potential target market defined by the manufacturer. To the contrary, the potential target market must be declined into the selling procedures of the distributor through a deep verification involving both parties, who have to share in advance the necessary information. The requirements asking the manufacturer to provide certain information to the distributor (par. 1.20) and the distributor to obtain those information from the manufacturer (par. 2.32 and 2.33), seem to create an overlap of duties – and consequently a lack of clarity - with regard to respective responsibilities. In order to allow the market to operate efficiently, we think that roles and responsibility should be clearly defined and distributed.	
Question 4	The total costs will very much depend on the business model chosen (co-manifacturer model or separate model for manifacture), the level of granularity for defining possible target market and on how the cooperation with the distributor in the monitoring of products to prevent/ mitigate customer detriment operates. Putting in place a co-manifacturer agreement would make the manifacturing model more complex, but we expect that the monitoring activity of the target market would be more effective.	
Question 5	We think that it should be further detailed what "key role in designing and developing an insurance product for the market" entails for distributors. In particular, it would be important to clarify that it shall be considered as "key role" whenever the distributor is acting on technical and actuarial features of the product – i.e. extension/limit of coverage, the insurance excesses, insurance premium, etc. Whereas, other forms of cooperation between distributor and manufacturer which are aimed at better defining the target market or the concept underneath a product, are not to be considered as "acting as a manufacturer".	
Question 6		

Question 7	We agree with the proposed high level principle for the granularity of the target market.	
Question 8	We agree with the proposed review obligations. As per the proposal to introduce a minimum frequency of reviews, we think this should be avoided. Indeed, the frequency of reviews should be tailored to the different agreements and we think that a one-size-fits all approach should be avoided to ensure efficient reviews that fit the needs of the different types of products.	
Question 9	The policy proposals in the Technical Advice mirror similar provisions that are in place for the provision of investment services. We believe it is very important to mantain consistency with the provisions under MiFID II and with ESMA's advice in order to allow for a trasparent and fair conduct of business vis-à- vis all clients and ensure a level playing field in financial markets, preventing regulatory arbitrage.	
Question 10	We agree that the policy proposals do not need further specification of the principle of proportionality.	
Question 11	We agree with the proposed high level principle.	
Question 12	No.	
Question 13		
Question 14	The policy proposals in the Technical Advice mirror similar provisions that are in place for the provision of investment services. We believe it is very important to mantain consistency with the provisions under MiFID II and with ESMA's advice in order to allow a trasparent and fair conduct of business vis-à- vis clients and ensure a level playing field in financial markets, preventing regulatory arbitrage.	
Question 15	For insurance-based investment products, the assessment of suitability and appropriateness should be as consistent as possible with the provisions under MIFID II and related Delegated Acts / guidelines defined by ESMA – which require the assessment to be done on the basis of the customer's overall financial situation. Therefore, we think that the criteria identified in the consultation paper are consistent with this approach.	
Question 16	Notwithstanding that the interest of the client in purchasing an insurance-based investment product shall always be checked, the assessment of suitability and appropriateness shall be performed in a way that is as close as possible to MiFID II	

	and further ESMA's requirements. Hence, we think that questions aimed at assessing biometrical risks or other personal information, fall outside the "financial/insurance aspects" of the product.	
Question 17		
Question 18	We think that further guidance on the relationship between the demands and needs and the suitability test is highly needed. In particular, with regard to the content of the demands and needs' test – which Member States may make mandatory for insurance-based investment products. Besides, it is important that the Technical Advice defines the content and details of the demands and needs test, in order to clarify whether it can be integrated within the suitability/appropriateness assessment.	
Question 19	We think that the criteria to define the complexity of products shall be consistent with what is already established under MiFID II and further ESMA's guidances, in order to prevent different classifications between insurance-based investment products and other financial products.	
Question 20		
Question 21		
Question 22		
Question 23		
Question 24		
Question 25		
Question 26		