

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:	Mediterranean Insurance Brokers (Malta) Ltd.	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. 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.	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-16-006@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 Technical Advice on possible delegated acts concerning the Insurance Distribution Directive</p>		
Reference	Comment	
General Comment	<p>This comment response is being sent on behalf of the members within the Maltese Association of Insurance Brokers.</p> <p>We welcome the opportunity provided to comment on this Consultation Paper. Primarily we believe that the IDD Delegated Acts should take the form of directives. This would give some flexibility to Malta to apply the level 2 rules taking into</p>	

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consideration our national specificities.

Whilst we welcome the principle of proportionality as introduced in EIOPA policy proposals, we fail to understand how the so many detail requirements proposed by EIOPA will be complied with small or micro enterprises intermediaries. Important to bear in mind that the Maltese intermediaries are most of them classified as small or micro enterprises intermediaries.

**1. What would you estimate as the costs and benefits of the possible changes outlined in this Consultation?
Where possible, please provide estimates of one1off and ongoing costs of change, in euros and relative to your turnover as relevant. If you have evidence on potential benefits of the possible changes, please consider both the short and longer term. As far as possible, please link the costs and benefits you identify to the possible changes that would drive these.**

An exercise to identify possible costs was not carried out in Malta, hence we cannot comment on the estimate of the costs. However, we'd like to point out that the current regime in Malta is product distribution, and moving into the realm of product oversight and governance will impose new responsibilities on distributors. The following may be a list which will drive the costs upwards:

- a) Additional costs in terms of information provision, recording, etc. at the point of sales
- b) Additional costs relating to outsourcing and compliance costs
- c) Costs for additional training
- d) Various regulatory reporting
- e) Verification costs for the intermediary to ensure that it is compliant with the legislation, regulations and reporting requirements. These may include costs of a compliance department, costs of compliance audits by internal and/or external resources, time and resources spent on preparing visits from the regulator.
- f) Ad-hoc and regular inspection visits from the regulator.

Question 1

The above list does not include the costs for the proposed technical advice in respect of

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	<p>obligations on intermediaries that do not manufacture products which will result in costs to the sector will far outweigh any potential benefit to customers. We are afraid that the excessive weight of proposals put forward within this consultation will achieve the exact opposite of making EU law simpler and reduce regulatory costs. This is likely to force a reduction in options for the consumer.</p>	
Question 2	<p>Do you agree that the policy proposals above provide sufficient detail on product oversight and governance arrangements?</p> <p>We believe that the requirements imposed on non-manufacturers go beyond the requirements of Article 25 of the IDD. When it comes to pure distributors, the IDD requires that the distributor shall have in place adequate arrangements to obtain appropriate information on the insurance product and the product approval process, including the identified target market of the insurance product.</p> <p>With respect to the Maltese market, we feel that the local market is too small to set up a product oversight and manufacturing arrangement on each policy. Referring specifically to the documentation (point 44, page 19) for SME's this can represent an important administrative burden and a disproportionate compliance requirements.</p> <p>Regarding obtaining all necessary information from the manufacturer (point 50, page20) we wonder what value to the intermediary or the customer does knowing that an insurer takes new products to a committee before they launch them have. Does that mean that any insurance intermediary wishing to operate on a whole of market basis, will have to have detailed knowledge of the product approval process of every single insurer with whom they could possible place a customers' insurance risk? Setting the obligation on intermediaries to obtain "all other necessary information" on the product from the manufacturer is not workable. How is an intermediary ever going to be really sure that they have obtained it all?</p> <p>Regarding the policy proposal on distribution channels, we are worried that this</p>	

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could be read as manufacturers have the right to oversee what a distributor does (including access to records on which other insurers the intermediary is placing what business with). Placing business with a number of insurers (as is the case for the main brokers in Malta) could result in the intermediary being audited constantly and so would be a real deterrent to any intermediary from offering their customers a wide choice of products and providers. This is an unnecessary and disproportionate intervention in contractual relationships between commercial entities. Hence we feel Points 22,23,24 should be deleted.

Let's not go beyond IDD requirements as there are already enough to handle especially from an SME perspective. The rigid policy proposals on obtaining all the necessary information from the manufacturers, including the product approval process, will add no value to the distributor or its customers in understanding of how the product is suitable for their demands and needs.

Most importantly, the policy proposal on "Provision of sale information to the manufacturer" places a legal responsibility on the distributor that is not appropriate. The manufacturer is responsible for his products and not the distributor.

Are there any further arrangements, except those outlined below, which you would consider necessary and important?

Yes, the Maltese market feels that there should be a better definition of complex products. There should also be more clarity on the scope of EIOPA policy proposals on POG arrangements. It should be clearly stated that bespoke insurance contracts are excluded from the scope of the proposals.
In case of packaged products, it is not clear whether POG arrangements would have to be complied with for each of the products included in the package or only for the packaged product.

Question 3

What costs will manufacturers and distributors face to meet these requirements? If possible, please estimate the costs through quantitative

Question 4

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	<p>data.</p> <p>The cost question should have been part of the level I impact assessment. The costs cannot be quantified but are potentially high when one considers the legal uncertainty that is created for the entire market.</p>	
Question 5	<p>Do you agree with the proposed high-level principle in order to assess whether activities of an insurance intermediary should be considered as manufacturing?</p> <p>Given the diversity present in the distribution activities throughout the EU, the qualification of the insurance intermediary as a manufacturer should only be made based on a case by case basis for each product designed. We agree that a relevant criterion is "<i>whether the product is sold under the brand name of the insurance intermediary</i>". This is not clearly reflected in the EIOPA draft Technical advice on the issue. More guidance is required where the intermediary is involved in the design and development of a product. It has to be clear that the undertaking remains fully responsible to the customer for the coverage provided.</p>	
Question 6	<p>Do you consider that there is sufficient clarity regarding the collaboration between insurance undertakings and insurance intermediaries which are involved in the manufacturing of insurance products? If not, please provide details of how the collaboration should be established.</p> <p>The Maltese queries whether a distributor is considered as a manufacturer when it is requesting a change to the standard wording of a policy manufactured by an Insurer (Eg : a quotation slip designed by a broker of a particular customer)</p> <p>The Maltese market also requested clarification as to whether there will be guidelines as to what is the process for a change/variation to the original product.</p> <p>Will the distributor be involved in the product oversight and governance arrangements ?</p>	

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	<p>will EIOPA suggest agreements to be entered into between the manufacturer and the distributor.</p>	
<p>Question 7</p>	<p>Do you agree with the proposed high-level principle for the granularity of the target market? If not, please provide details on the level of detail you would prefer.</p> <p>We welcome the principle of proportionality that is introduced in EIOPA policy proposal based on previous EIOPA preparatory work that states that POG distribution arrangements shall "<i>be proportionate to the level of complexity and the risks related to the products as well as the nature, scale and complexity of the relevant business of the regulated entity</i>".</p> <p>However we believe that EIOPA should have gone further and differentiate between insurance business classes within its policy proposals. It is hard to see what high level EIOPA proposed principle can add beyond a few very obvious statements. We have experienced lack of clarity when it comes to implementing the principle of proportionality under Solvency II.</p> <p>Because of the significant differences that exist between life with investment element products (IBIPs) and non-life/ pure life products, it is pertinent in EIOPA technical advice to differentiate the activities of IBIPs manufacturers from the ones of non-life/life manufacturers. Strict product oversight and governance provisions for non-life insurance products will be burdensome with no added value for consumer protection. Most product governance rules should be limited to products which target the private consumer IBIPs market (excluding all kind of business clients).</p> <p>Regarding third bullet of point 9 on page 32 on examples for IBIPS, we believe that the level of risk tolerance will be personal to an individual, it is not homogenous to a group of people with similar characteristics (such as age, occupation or socio economic group).</p>	

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Question 8	<p>Do you agree with the proposed review obligations for manufacturers and distributors of insurance products? Would you consider it important to introduce a minimum frequency of reviews which should be undertaken by the product manufacturer e.g. every 3 years?</p> <p>How does this cater for the commercial realities of business? What if the relative size of the undertakings is such that one is not in a position to question the actions of another? The review obligations for distributors who are not manufacturing are beyond the mandate, useless and pure administrative burden as it is the task and responsibility of the insurer to do that work and take sole responsibility for it. This goes beyond the proportionality requirement by the commission and we propose to delete most of the chapter relating to review obligations for distributors.</p> <p>Regarding point 7 on page 37, and in particular the bullet 7 re "<i>contacting the distributor to discuss a modification of the distribution process</i>", we believe that the drafting used seems to give a manufacturer an implicit right to tell a distributor how to distribute the products. The language used is critical to its interpretation.</p>	
Question 9	<p>Are there any other elements which you would consider appropriate in order to specify the regulatory requirements on conflicts of interest as laid down on Article 27 and Article 28, IDD? If possible, please specify in detail.</p> <p>It should be very clear and mentioned explicitly for all delegated acts that are part of chapter VI on IBIPs that the delegated acts are indeed only applicable to IBIPs.</p> <p>We believe that the draft advice already goes in too much detail as it stands.</p> <p>Under point 2a) it is stated that a conflict of interest shall at least be assumed in situations where the intermediary is likely to make a financial gain, or avoid a financial loss at the expense of the customer. This is too broad a definition, as even charging a fee which the customer agreed in advance could come under such a broad description. It would be wrong to characterize an intermeidary's remuneration as being a financial gain, as the term gain can suggest that the intermediary is taking</p>	

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	<p>advantage of the customers when in fact he is simply remunerated for the services rendered.</p>	
<p>Question 10</p>	<p>Do you agree that the policy proposals do not need further specification of the principle of proportionality and allow sufficient flexibility to market participants to adapt the organisational arrangements to existing business models? If you do not agree, please explain how the principle of proportionality could be elaborated further from your point of view?</p> <p>The principle of proportionality is a very important principle. As mentioned before, we believe that the IDD delegated acts should be a <u>Directive</u> as well. This gives some flexibility to the MS to apply the rules according to their national specificities. The proportionality principle should be an overall concept applicable to all measures. This is the approach chosen by most of the EU Member States in their policy on conflicts of interest for insurance intermediaries. At this stage, we are not convinced about the usefulness re further specification and guidance in a separate policy instrument.</p> <p>In order to ensure that the required proportionality we propose to postpone the application date of some of the planned level 2 rules. We are fully supportive of the IDD objectives of consumer protection, more open markets and level playing field. We acknowledge the challenges faced by EIOPA but also by the European Commission in defining the details of the 4 Delegated Acts, notably in light of the variety of market players the IDD covers. However, we are extremely concerned that, in the best case scenario, the final Delegated Acts will only be officially published in the first half of 2017, leaving only more or less half a year for distributors and intermediaries (but also regulators and supervisors) to meet the deadline. This timeline is simply unrealistic considering the structural changes it will trigger. Using the format of a Regulation rather than a Directive for level 2 (in order to shorten the implementation timetable) would not solve the problem- on the contrary it would make it worse since this would not allow for the necessary national fine-tuning to reflect national markets' specificities.</p>	

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We cannot stress enough the considerable operational challenges which need to be overcome by the sector in order to comply with the new rules which will be imposed by the 4 Delegated Acts. In particular, considering the level of detail in the draft advice that is currently under consultation. More specifically, the changes will require the development of all necessary processes to ensure that the IT and other systems and procedures are accurate. These changes come at the same time as a whole series of other effects caused by new rules (PRIIPs KID, Solvency II, Mortgage Credit Directive, Data Protection Regulation to name but a few).

We would also like to point to the fact that MiFID firms had 5 years to adapt gradually to a system whereas IBIP providers and distributors will have only (more or less) 6 months. It is also worrying that a number of highly complex and structural matters feature in the draft advice on the Delegated Acts but have never been subject of a democratic discussion nor impact assessment (or consultation) under level I (black list, commission as a priori conflict of interest, definition of manufacturer, ... this are issues which we believe should not be introduced by a level 2 text but should have been dealt with at level 1 or be left to the Member States).

We take this as an opportunity to point out that the development of the level 2 delegated acts illustrates again the shortcomings of the IDD as a text. The Single Market integration as an objective of IDD is completely ignored. Instead of using level 2 or level 3 measures to clarify the triggering elements of a cross border activity which will encourage cross border activity by creating legal certainty, the regulator seems to opt to develop and work out micro-management style of technically detailed rules many of which are superfluous or even contradictory for the objectives defined. We believe that in economic difficult times European legislation should encourage export and new initiatives by smaller local entrepreneurs rather than imposing administrative burden upon local SME players who create local employment.

Do you agree with the proposed high level principle to determine whether an inducement has a detrimental impact on the relevant service to the customer?

Question 11

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It should be very clear and mentioned explicitly for all delegated acts that are part of chapter VI on IBIPs that the delegated acts are indeed **only** applicable to IBIPs.

We are in principle not in agreement that in a highly competitive market, remuneration is supervised and regulated at such a level of detail. Under the IDD, insurance distributors have the duty to act honestly, fairly and professionally in accordance with the best interests of their customers (art 17) and the intermediary will take this into account before accepting any benefit. The fact that an intermediary receives fees, commissions, benefits from third parties may mean that an intermediary is able to charge less for the service that they provide to that customer. This is of significant benefit in that it makes insurance markets accessible to as wide a cross section of the public as possible.

We are of the opinion that every intermediary has the right to be fairly remunerated for his or her services. This is also to the benefit of the consumer. A pure fee-based market, for example, would exclude many people from access to any level of advice or assistance in their search for an appropriate insurance product, as has been the practical experience in Member States that have prohibited commission payment approaches. The prohibition of payment and remuneration by insurers would be an obstacle to free market principles of fair remuneration for services rendered. Indeed, it would become impossible for intermediaries to require insurers to pay intermediaries for the work they do on their behalf (and which is work that is done also in the interest of the customer).

It is interesting to note that the Investment Management Association (IMA)'s 11th annual [Asset Management Survey](#) which was published in August 2013 outlined a number of pitfalls since the RDR was implemented in the UK:

- Less access to advice: Many consumers could be priced out of receiving advice.
- Multiple share classes: The creation of multiple share classes to accommodate different charging structures could emerge as an issue. Large fund distributors have tried to provide 'super clean' share price deals with fund groups, to sell funds at a discounted rate compared to competitors.
- 'Dumbed down' funds: RDR could lead to too many "plain vanilla" outcome

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- orientated products, which do not generate significant levels of alpha, and further cause excessive conservatism, due to investors having insufficient experience in taking calculated risks.
- Advice gap: The survey expressed concerns that an 'advice gap' will result due to changing charging structures, creating greater numbers of unadvised, low-to-middle net-worth retail investors. Unadvised investors might favour execution-only platforms or go direct as a consequence of the new pricing structures. The concern is not unfounded, seeing as several providers of advice have [culled their financial adviser workforces](#), including HSBC, RBS and Barclays.
 - Consolidation: Finally, one of the unintended consequences of RDR could be a [more polarised fund management industry](#).

The report indicated that a lot of consumers will most likely exit the market for financial advice entirely, based on the discrepancy between willingness to pay and cost of advice: 91% of UK consumers will not pay more than £25 for an hour of financial advice (survey conducted by Rostrum Research in 2012).

It cannot be stressed enough that consumers and SMEs are much less likely to shop around for the insurance or investment product which best meets their needs in a fee-only based environment as they will have to pay a fee each time they interact with an intermediary – whether or not they decide to follow the advice or buy the product.

The remuneration of intermediaries being in principle commission-based with the possibility to agree fees has been and continues to be a major contributing factor in the successful development of insurance markets all over the world. Any other situation would ignore the fact that the insurance intermediary typically renders services to both sides of the contract, the customer and the insurance company: as with any commercial relationship both kinds of services have to be remunerated by the beneficiary. It would also deprive consumers of the choice between business models.

It is always in the best interest of consumers to be provided with adequate

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information so that they can make an informed decision. This is the "raison d'être" of insurance intermediaries. This goes to the very heart of the intermediaries' role.

Insurance intermediaries are mostly SME-style operations, employing many thousands of people locally. It is important to ensure that any future European policy on conflict of interests for intermediaries mediating IBIPs does not have any unintended side effects, does not result in less choice for consumers and does not jeopardize intermediaries' activities and business models.

In the IDD, the EU legislators made the unambiguous democratic choice to leave freedom of models for remuneration and not to introduce any bans on any forms of remuneration. The concept of independent advice and a linked ban on commission for IBIPs was rejected.

Member States have been given the possibility to go beyond in art 29.3: "3. *Member States may impose stricter requirements on distributors in respect of the matters covered by this Article. In particular, Member States may additionally prohibit or further restrict the offer or acceptance of fees, commissions or non-monetary benefits from third parties in relation to the provision of insurance advice (...)*"

This illustrates that the decision to judge on these remuneration matters lies with the Member States and level 2 rules should not directly or indirectly circumvent this democratic decision.

Also, one has to look at the overall services that intermediaries offer. Indeed, the quality of an intermediary's services is intrinsically linked with the quality of a specific service provided to a particular customer. In fact, without a high overall level of quality, it is not possible to provide a high quality individual service.

A comprehensive, proportional approach has to be taken by EIOPA in its advice. The total effects of the compensation provided should be assessed in a comprehensive manner.

Question 12

Are there any further inducements which entail the high risk of leading to a detrimental impact and should be added to the list in paragraph 4 of the draft technical advice above?

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	See above	
Question 13	<p>To which extent are inducements which are considered bearing a high risk of detrimental impact part of existing business and distribution models? Please specify your answer and describe the potential impact of these proposals (if possible with quantitative data).</p> <p>As explained above most commissions are paid upfronts. Unless the example is rephrased, the leads to a de facto ban on commission. This would go against IDD level 1 that has been adopted by the EU legislators.</p>	
Question 14	<p>Are there any further organisational measures or procedural arrangements which you would consider important to monitor whether and to ensure that inducements have no detrimental impact on the relevant service to the customer and do not prevent the professional from complying with their obligation to act honestly, fairly and in accordance with the best interests of their customers?</p> <p>No, we believe it is much too early in the process to start discussing monitoring or taking any further organizational measures or procedural arrangements.</p>	
Question 15	<p>Do you agree with the high level criteria used to specify the assessment of suitability and appropriateness? Are there any criteria you would exclude, and why?</p> <p>It should be very clear and mentioned explicitly for all delegated acts that are part of chapter VI on IBIPs that the delegated acts are indeed only applicable to IBIPs. We believe that Article 30 is clear as it already lists the criteria that need to be considered and we believe that the demands and needs test in the general part of the Directive, which has been very efficient so far, should be used as a basis (but there should not be a cumul of both tests).</p>	

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Question 16	<p>When EIOPA is reflecting insurance specificities in the policy proposals above, do you agree with them? In particular, with regard to insurance specificities related to the protection elements within an insurance-based investment product (e.g. biometric risk cover), are there aspects regarding the information to obtain (such as the 'risk profile') for the assessment of suitability and appropriateness that would necessitate further and/or more explicit insurance specificities?</p> <p>See above</p>	
Question 17	<p>In practice, what information do you expect to collect for the assessment of suitability and appropriateness in addition to the demands and needs?</p> <p>Article 30(1) is clear as it already lists the criteria that need to be considered and we believe that the demands and needs test in the general part of the Directive, which has been very efficient so far, should be used as a basis (but there should not be a cumul of both tests).</p>	
Question 18	<p>Do you think that it could be useful for EIOPA to provide any specification and/or guidance on the relationship between the demands and needs test and the suitability/appropriateness assessment, in a separate policy instrument, given that this point is not addressed in this technical advice?</p> <p>As mentioned above, we believe that the demands and needs test should be used as a basis for appropriateness and suitability tests and that there should not be a cumul of the demands and needs vs. appropriateness/suitability tests.</p>	
Question 19	<p>Do you agree with the high level and cumulative list of criteria used to define other non-complex products? Are there any you would make optional or exclude, and why?</p> <p>It should be very clear and mentioned explicitly for all delegated acts that are part of chapter VI on IBIPs that the delegated acts are indeed only applicable to IBIPs.</p>	

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	We are concerned that the cumulative list of high-level criteria to assess non complex insurance based investment products could result in a de facto ban on execution-only, as all products are deemed complex besides products with a unit-linked investment element. This would not be in line with IDD to allow for the execution only sale of non complex IBIPs.	
Question 20	Are there any further high level criteria which you would consider necessary and important, and why? In particular, how could insurance specificities be taken into account? NA	
Question 21	While point (i) of point (a) of paragraph 3 of Article 30 is intended to capture the majority of non-complex products, the above listed criteria should capture equally non-complex products falling outside of point (i). Are there any gaps? NA	
Question 22	On retention of records, do you agree with the high level criteria used? Are there any you would exclude, and why It should be very clear and mentioned explicitly for all delegated acts that are part of chapter VI on IBIPs that the delegated acts are indeed only applicable to IBIPs. We wish to recall that intermediaries are mainly micro to small entrepreneurs and that reporting requirements have to be proportionate. The proportionality also has to apply with regard to the type of product and type of customer. All these reporting and record-keeping requirements have to be seen in the context of in how far the product is already documented. It is important that the customer receives relevant information (which may depend on the type of product / situation). One should avoid the duplication of information/ provision of unnecessary information as this leads to confusion of the customer and legal uncertainty.	

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	<p>EIOPA recognizes that contrary to MiFID II, in IDD there is no concept of a written basic agreement with the customer for the provision of services. However, EIOPA states that it could be interpreted as the contractual terms and conditions and that the content of the written basic agreement does not appear inconsistent with the IDD framework (p 75, point 5-7):</p> <p>We believe that the concept of a written agreement should not be introduced at level 2 of IDD.</p> <p>It also is to be noted that the MiFID II delegated Regulation (art 58) specifies re. written agreement: <i>“Investment firms providing investment advice shall comply with this obligation only where a periodic assessment of the suitability of the financial instruments or services recommended is performed.</i> Member States may consider using such a concept but it should not be introduced at level 2 of IDD.</p> <p>EIOPA states that the MiFID II framework only covers record-keeping in an <u>appropriateness</u> scenario. EIOPA has looked at the 2012 ESMA MiFID suitability guidelines to build its advice re suitability record keeping for IDD.</p>	
Question 23	<p>When EIOPA is reflecting insurance specificities in the policy proposals, do you agree with them?</p> <p>The EIOPA technical advice is largely a copy-paste of the MiFID wording (2012 Guidelines and the draft MiFID II delegated Regulation). EIOPA has deleted some of the references and specificities of MiFID, but this can hardly be interpreted as “reflecting insurance specificities”.</p>	
Question 24	<p>Do you agree with the high level criteria used with regard to the suitability statement and the periodic communications to customers? Are there any criteria you would exclude, and why?</p> <p>It should be very clear and mentioned explicitly for all delegated acts that are part of chapter VI on IBIPs that the delegated acts are indeed only applicable to IBIPs.</p>	

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	<p>With regard to the periodic suitability assessment/report, we believe that the draft advice is not sufficiently clear that this is a voluntary extra service to the customer, to be decided between the parties (intermediary or undertaking and the customer).</p> <p>For instance, in point 2, EIOPA states that: " 2. <i>The insurance intermediary or insurance undertaking shall draw the customer's attention to, and shall include in the suitability statement, information on whether the recommendation is likely to require the customer to seek a periodic review of their arrangements.</i>"</p> <p>Also point 3 states "3. <i>Where an insurance intermediary or insurance undertaking has informed the customer that it will carry out a periodic assessment of suitability, the subsequent reports after the initial service is established, may only cover changes in the services or investments embedded in the insurance-based investment product and/or the circumstances of the customer and may not need to repeat all the details of the first report.</i>"</p> <p>The additional service of providing periodic suitability assessments is not to be decided unilaterally by the intermediary / undertaking as could be understood from point 3, but is something to be agreed between the parties.</p>	
Question 25	<p>When EIOPA is reflecting insurance specificities in the policy proposals, do you agree with them?</p> <p>The proposed (non-exhaustive) list focuses mainly on costs. Should there not be periodic information on the insurance benefits as well?</p>	
Question 26	<p>Should EIOPA specify further criteria with regard to the periodic communication to customers, such as the division of responsibility or more details on the online system?</p> <p>We note that this concept of an online reporting system is taken from art 60, point 3 of the MiFID II draft delegated Regulation on reporting requirements in case of portfolio management:</p> <p><i>3. The periodic statement referred to in paragraph 1 shall be provided once every</i></p>	

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three months, except in the following cases: (a) where the investment firm provides its clients with access to an online system, which qualifies as a durable medium, where up-to-date valuations of the client's portfolio can be accessed and where the client can easily access the information required by Article 63(2) and the firm has evidence that the client has accessed a valuation of their portfolio at least once during the relevant quarter.

This should be further clarified for intermediaries to comment on whether there should be further criteria for periodic communication.