

**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:	Polaris UK Ltd	
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"> <li>⇒ <u>Do not change the numbering</u> in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool</li> <li>⇒ Leave the last column <u>empty</u>.</li> <li>⇒ 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>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.</li> </ul> <p><b>Please send the completed template, in Word Format, to <a href="mailto:CP-16-007@eiopa.europa.eu">CP-16-007@eiopa.europa.eu</a>.</b></p> <p><b>Our IT tool does not allow processing of any other formats.</b></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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<b>Reference</b>	<b>Comment</b>
General Comment	<p>Polaris UK Ltd is an insurer and broker owned body, dedicated to supporting electronic trading standards for the UK General Insurance (GI) industry.</p> <p>The Polaris role is to help brokers, software houses and insurers deliver their products and services to customers in an efficient and cost effective way.</p> <p>In the UK a customer can obtain quotations from various channels including:</p> <ol style="list-style-type: none"> <li>1. A Price Comparison Website (PCW) who would pass the quotes on to a broker or insurer website or systems</li> <li>2. A phone call or visit to a broker</li> <li>3. A broker website</li> <li>4. A direct insurer website</li> <li>5. A phone call to an insurer.</li> </ol> <p>For a PCW, the quote request data will be passed to their panel of members for rating which may be on a broker or insurer system to obtain premium and terms.</p> <p>For broker business (where no PCW is involved) the quote request data will be passed to the broker system to obtain premium and terms. The broker system will apply any relevant formatting and then return the quote response to the customer.</p> <p>For direct insurer business, the insurer system replaces the broker system in the above paragraph.</p> <p>The complexity of the different channels where customers can obtain insurance requires a co-ordination of changes across the parties involved. This will include insurers, broker software suppliers, some brokers and the PCWs. It will be important that all the requirements and information necessary to implement the IPID is made</p>

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available as early as possible in 2017 so that there is sufficient time for stakeholders to make the required changes.

**Clarification required -**

**Does the information need to be presented to customers verbally if it is not capable of being presented electronically?**

**The purpose is to provide the IPID to customers prior to the sale of a non-life insurance product, but should insurers also provide the information at each renewal?**

Polaris supports the use of a standardised presentation format that will cover all non-life insurance products.

However, the diversity of insurance products available in the UK GI market suggests an element of flexibility in the format would be beneficial to ensure the most appropriate information is presented to the customer for each type of product. A single standardised presentation template could be adopted only if it allows insurers the ability to tailor the output by excluding sections which are not relevant to specific products, e.g. an Insured Sum is not required for New Car Replacement cover available on a Personal Motor insurance product.

Additional flexibility in the standardised presentation format would allow insurers the ability to tailor the information to better support the complexities that exist between insurance products aimed for use in the UK Personal Lines (PL) and the UK Commercial Lines (CL) insurance markets. The format could be adapted to meet the specific needs of different customers (please see the comments under Questions 6 below) and whether the products are aimed at the PL or CL insurance market.

In the intermediated channel, many add-on policies will be sold post-quote by the broker themselves to supplement the insurer product. Insurers will not be aware

Question 1

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which add-on policies and covers are being provided. It is not clear from the Consultation paper whether a broker will be responsible for producing a separate IPID for these add-on policies and covers as this will conflict with the principle of providing a single IPID document to customers.

The three main options to overcome the barriers to using a standardised presentation format are likely to be detrimental to the overall objectives specified in the paper, because either –

1. multiple IPID's will have to be provided to the customer,
2. a single IPID will exceed the recommended limit of 2 A4 pages,
3. only high level product information can be included on a single IPID so not providing the customer with the details needed to assess and compare insurance products.

**Clarification required -**

**Who will have ownership of the standard presentation format for the purposes of managing future changes, planning and agreeing the implementation of new releases?**

Polaris supports the use of visual aids such as icons and symbols to distinguish different information and that these should be standardised at a European level subject to the allowable variants, e.g. currency and geographical location already recognised in the paper, to support circumstances in different Member States.

The size of icons and symbols may need to be flexible to provide the best display of the information to customers.

**Clarification required -**

**The paper recognises the use of a single country flag as the icon to depict geographical scope could result in customers misunderstanding the available**

Question 2(a)

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	<p><b>coverage. However, the paper did not specify if;</b></p> <ol style="list-style-type: none"> <li><b>1. a single flag will be used as the icon for the geographical scope despite the potential misunderstanding it may cause?</b></li> <li><b>2. the icon will be the flag of the customer's Member State or another country's flag?</b></li> </ol>	
Question 2(b)	<p>It will be necessary to allow variants to support the circumstances in different Member States. The icons we believe that should allow for the difference are the currency and the geographical location, mainly because the majority of the personal lines and commercial lines business will be UK specific and therefore using country specific icon will avoid any confusion with the customers for advised and non-advised sales.</p>	
Question 3(a)	<p>Polaris believe the number of different covers available on UK GI products, plus the associated sum insured, policy limits, exclusions and obligations for each cover type, cannot easily be summarised within two pages of A4.</p> <p>If the IPID only contains a summary of the main cover(s), associated limits and obligations there is a significant risk that –</p> <ol style="list-style-type: none"> <li>1. Customers may be unable to use the IPID to differentiate between products from other insurers as they will not be presented with all the available covers and features of each product,</li> <li>2. Customers will not have all the information needed to make an informed choice on the insurance product being offered.</li> </ol> <p>Insurers trading in the UK GI market currently provide customers with a Policy Summary document (an example has been provided as an attachment to the email) containing similar information to that required in an IPID and some additional regulatory and legislative information. The Policy Summary documents currently in use contain a summary of key covers, sums insured, policy and claim obligations and payment details but are much larger than the IPID size limit being suggested in the paper, some can be up to 12 pages. It is difficult to envisage how insurers will be able to reduce the required content to 2 pages of A4.</p>	

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	<p>It will be exceedingly difficult to produce an IPID of only 2 A4 pages for multi-risk policies, particularly if any commercial insurance products are within the scope of the proposal (see response to Questions 6 below).</p> <p>If the size of icons and symbols or the font size needs to change to ensure the information is presented in the most effective way to the customer, e.g. those with a visual impairment, there is a possibility the IPID will exceed 2 pages of A4.</p> <p><b>Clarification required -</b></p> <p><b>Will duplexing onto a single sheet of A4 paper be required when printing the IPID?</b></p>	
Question 3(b)	<p>The use of a prescribed font type and font size will not cause significant difficulty if compatible with all leading word processing software and document formatting tools.</p> <p>However, most insurers have their own corporate identity and branding requirements, including specific fonts and font sizes. These are likely to differ from those being prescribed for use on the IPID, which will result in providing documents with a different 'look' that may be confusing to customers.</p>	
Question 4(a)	<p>A significant proportion of the UK GI personal lines market is transacted using PCWs which are outside the direct control of the insurers. The majority of insurers will provide their Policy Summary documents to customers in a simple digital format consisting of a pdf document downloadable from the PCW (or similar website).</p> <p>In other distribution channels, where a broker is involved, the insurer will be reliant on the broker systems presenting the quote and supporting information to the customer. Insurers provide brokers with the quote and policy documentation needed by the customer. The documentation will normally be in an electronic format (usually pdf), allowing it to be printed by the broker and posted or sent electronically to the customer.</p>	

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	<p>It is unlikely the PCWs or broker systems will be able to present the standardised presentation format to customers in a complex digital form without the need for significant enhancement to their systems, increasing the costs involved. An insurer will already be able to provide their documentation as pdf versions, so a simple digital format will be simpler and less costly to implement.</p> <p>Direct insurers are not constrained by external broker systems, so may be able to develop a complex digital format of the IPID for their customers. However, presenting at least 2 A4 pages of information using a web page may not result in the best customer experience due to the amount of scrolling involved. This issue will be further exacerbated on mobile devices.</p> <p>Direct insurers already provide customers with a simple digital format of their quote and policy documentation, either as an attachment in an email or via a link to a secure website from where the documents can be downloaded. Therefore providing the IPID in a simple digital format will be simpler and less costly to implement.</p> <p>To make a prescribed, agreed, format(s) viewable on all relevant media devices presents challenges providing the ability to easily view the information ensuring all major browser versions are supported.</p>	
Question 4(b)	<p>Polaris anticipates insurers would provide an IPID to customers as a replacement for the current Policy Summary documentation already used in the market. This would minimise the impact on existing practices and so reduce the costs associated with implementing the standardised presentation format.</p> <p>The provision of similar information in a simple digital format is already widely available in the UK GI market so any benefits are already being realised.</p>	
Question 5	<p>The development and implementation of a standard presentation format will require specialist IT and technical effort, which in turn will drive the cost of this initiative.</p>	

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The complexity of UK GI distribution channels means that the development and implementation of a standardised presentation format will require agreement, effort and co-operation between insurers, PCWs, brokers and broker software suppliers to deliver the necessary changes. These changes are likely to involve –

- installation of new font types across different systems, platforms and architectures,
- enhancement to insurer documentation and formats,
- insurer and broker software house system development,
- internal and external testing of insurer and broker software house systems,

Our previous experience of delivering regulatory and industry projects in the UK GI market, e.g. the Competition and Markets Authority (CMA) Private Motor Insurance Order and the enhancements to support the Flood Re project, indicate implementing these types of changes across the market can result in longer delivery timescales. Therefore, it is essential that the finalised Technical Standards be made available as early as possible in 2017 if a delivery by 23 February 2018 is to be achieved.

Polaris agree the primary focus for the IPID should be consumers - i.e. retail customers. However, it would assist the market if a clear definition for consumers be provided as the term 'retail customers' is ambiguous.

The Consultation paper specifically excludes large risks based on the definition under Solvency II Article 13(27), but does not indicate whether the IPID should be provided to small and medium sized commercial enterprises (SME) that constitute the largest proportion of consumers of commercial insurance products in the UK. Some commercial insurance products, e.g. Property Owners/Landlord insurance, are sold to individuals as well as commercial entities, and it will be helpful if clear guidance could be provided here concerning when an IPID should be provided.

**Clarification required -**

Question 6



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**Please provide a clear definition of a 'retail customer'?**