

**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:	Test Achats - Association Belge des Consommateurs ASBL	
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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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><u>1. In the case of multi-risk policies, all information should not be presented in a single IPID</u> TA disagrees with EIOPA's preference for policy option 4.1: all information in the case of multi-risk policies to be presented in a single IPID. TA strongly prefers policy option 4.2: Each cover has its own IPID.</p> <p>Main arguments (assuming that the length of the IPID is limited to ±2 pages):</p> <p>a) In contrast with is stated in the Consultation Paper, comparing different product offerings is made more difficult by policy option 4.1. This policy option doesn't take into account that a multi-risk policy often combines numerous covers, which also are for sale separately. (For example, in Belgium, a car policy often combines at least five covers: liability, damage/theft, assistance in case of breakdown, bodily injury of the driver, legal expenses.) It's obvious that in a short single IPID less main features can be mentioned than in the IPIDs of the stand-alone policies. In other words, comparison between multi-risk and stand-alone policies is distorted by definition. Comparison between several multi-risk policies is also distorted, depending on how much covers are combined in each of them.</p> <p>b) Because of the reasons explained under point (a), the single IPID of a multi-risk policy will mention, for an identical cover, less main risks not covered and less main restrictions and exclusions than the IPID of a stand-alone policy. This means that policy option 4.1 gives an important competitive advantage to multi-risk policies.</p> <p>c) The main features of a cover, mentioned in an IPID, should stay identical regardless of the number of other covers with which it is combined. A single IPID already offers not much space to describe the main features of one</p>

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cover. It becomes a **misleading document if it has to summarize the key information of more than one cover.**

d)
Policy option 4.2, preferred by TA, means that the **information in some categories of the separate IPIDs would be repetitious**, for example the duration of the contract. (In Belgium, the geographical scope often differs between covers.) **This issue can be solved and should not be the deciding factor.**
For instance, EIOPA could consider a visual indication/label/stamp which indicates that the information within the stamped category is identical for all IPIDs provided to the customer.

e)
TA does not expect that regulators could anticipate higher supervision costs if there were additional IPIDs in use and that industry would face increased stationery and management/control issues.
Because **even with a single IPID for multi-risk policies, the content of this IPID should vary depending on the exact covers which are combined.** An IPID should not mention a main feature that is not actually present in the product.
As a reminder, other European legislation allows the Member States to forbid that the customer is obliged to accept all parts of some combined offers.
How will a single IPID make it clear to the customer which of the "covered risks" disappear and become "risks not covered", depending on the final choice of the consumer?

f)
TA does not support the statement that providing main features in one IPID gives customers a better understanding of the relative importance of policy features.
The importance of which a customer has to be informed **should be relative to his financial interests**, not to the number of covers which are combined by its manufacturer.

g)
According to the Consultation Paper, behavioural economics research shows that the single-IPID-approach is more aligned with consumer needs and that consumers are

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much more likely to engage with a single IPID.
TA thinks that the **quality and relevance of the information should be guaranteed**. Each non-life insurance policy has a (very) wide range of content. The fact that the customer would prefer it to be simpler, **does not justify that the IPID may be misleading**.

h)
According to the Consultation Paper, if a product requires several IPIDs, then it would be too complex for customers to readily understand, especially when EIOPA considers that the breadth and complexity of retail investment products will be presented in one document, the PRIIPs KID.
TA thinks that this comparison is not relevant and that it **underestimates the intrinsic complexity of non-life products**.

Secondary to this, the Commission's drafted regulation on KID for PRIIPs (C 2016/3999 final, article 10) did provide that, depending on the nature and number of underlying investment options, the PRIIP manufacturer should be able to prepare **individual KIDs for each option**.

2. The standardised IPID should explicitly mention that it does not provide all the main characteristics of the product

As a reminder, other European legislation (e.g. Directive 2005/29/EC concerning unfair business-to-consumer commercial practices) forbids traders to **omit material information that the average consumer needs to take an informed transactional decision**. This material information includes the main characteristics of the product.

An example might be useful: Belgian car insurances contain a system of premium increase after a claim. Some policies provide that the premium will be nearly twice as high after a claim. In our opinion, this belongs to the ' main characteristics ' of such a policy.
However, this characteristic will probably never be mentioned on the IPID, because it

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	<p>belongs to none of its categories, as laid down in the Insurance Distribution Directive.</p> <p>The standardised statement, on the IPID, that it “provides a summary of the key information relating to this household insurance policy” and that “complete pre-contractual and contractual information on the product is provided in the full policy documentation” will still mislead customers, who will think that the IPID mentions at least all main characteristics.</p> <p>Therefore, TA asks that the standardised statement, on the IPID, would be completed as follows:</p> <p>“This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation. <u>This document does not convey all main characteristics of the product.</u>”</p> <p>We also want to avoid that, in time, manufacturers will be able to claim that the present IPID renders all ' main characteristics ' of an insurance product, which is not necessarily the case.</p> <p>Of course, ideally, all main characteristics should be mentioned on the IPID. But we think that the actual model of the IPID won't allow this, because some material information doesn't fit in any of IPIDs categories, as laid down in the Insurance Distribution Directive.</p>	
Question 1		
Question 2(a)		
Question 2(b)		
Question 3(a)	<p>The main features of a cover, mentioned in an IPID, should stay identical regardless of the number of other covers with which it is combined.</p> <p>A single IPID already offers not much space to describe the main features of one cover.</p> <p>A single IPID on two sides of an A4 page becomes a misleading document if it has</p>	

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	to summarize the key information of more than one cover of a multi-risk policy.	
Question 3(b)		
Question 4(a)		
Question 4(b)		
Question 5		
Question 6		