

5.1



IDD: EIOPA Report on General Good – Progress update

EIOPA Insurance & Reinsurance Stakeholder Group meeting
Frankfurt, 10 April 2019

EIOPA-IRSG-19-14

- Why is the topic on the agenda?
 - o Inform IRSG members of the main findings of the Report on General Good which EIOPA has to develop under the IDD

- What is expected from the IRSG?
 - o Provide informal feedback on main findings and on following questions (formal feedback will be sought after the publication of the report):
 1. Are you aware of any examples of national 'general good' rules that have an adverse impact on the business of passporting insurance distributors?

 2. What issues do you encounter with accessing the general good rules published on national authorities' websites?

- Next steps
 - o Publication of the report in July 2019

- *Member States shall ensure "appropriate publication" by competent authorities of general good rules applicable to insurance distribution on their territory – **what is "appropriate publication"?***
- *Administrative burden stemming from general good provisions regulating insurance distribution must be proportionate with regard to consumer protection*
- *EIOPA shall include on its website, hyperlinks to the websites of NCAs where information on 'general good' rules is published – **DONE***
- *EIOPA shall **examine in a report**, and inform the Commission about, the 'general good' rules published by Member States **in context of proper functioning of IDD and the internal market***

What are 'general good' rules?

- No specific definition in EU law – certain criteria set down in ECJ case-law and captured in COM interpretative communication
- Provisions must serve the 'general good' e.g. consumer protection
- National provisions going beyond the minimum requirements of the IDD (either in areas covered by legal options or other areas not covered by an option)
- Part of legal system of host Member States and imposed on:
 - Incoming insurance distributors doing FoS/FoE business only; or
 - On both incoming and domestic business
- EIOPA's report limited to provisions directly regulating insurance distribution (tax law, unfair competition law excluded)

What are the main issues regarding 'general good' rules?



- They serve the 'general good', but may also pose challenges to passporting intermediaries
- Administrative burden may not always be proportionate to consumer protection objective (Article 11(2))
- Higher entry costs (need to solicit legal advice)
- Less competition and productivity of the internal market (undersupply of financial products)

What are the main findings of our report? (1/2)

1. Except France and Luxembourg, all NCAs have published 'general good' rules online
2. Published 'general good' rules are not up-to-date in many cases (late implementation of IDD etc.)
3. A lot of scope for improvement in accessibility of published information (only links to compendia of legislation, not specific provisions)

What are the main findings of our report? (2/2)

4. Sheer quantity and level of diversity of 'general good' rules (e.g. additional information requirements) present challenges for passporting insurance distributors
5. Some of the 'general good' rules published are applied in areas under the competence of the home Member State (registration/ organisational/ professional requirements)

- Publication of the report in **July 2019**
- Follow-up:
 1. Inform the Commission on our findings, identifying problem areas
 2. Approach individual NCAs to ensure “appropriate publication” of general good rules
 3. Seek feedback from the market on main findings of the report
 4. Take appropriate action within limits of EIOPA’s own tools

1. Are you aware of any examples of national 'general good' rules that have an adverse impact on the business of passporting insurance distributors?
2. What issues do you encounter with accessing the general good rules published on national authorities' websites?