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Thematic Review:

Consumer protection issues in travel insurance

EIOPA Insurance & Reinsurance Stakeholder Group meeting
Frankfurt, 7 February 2018

- Why is the topic on the agenda?
 - BoS decided to launch a thematic review on consumer protection issues in travel insurance
- What is expected from the IRSG?
 - Feedback on key issues
- Next steps
 - IRSG to provide additional feedback
 - EIOPA to draft Issues Note
 - Launch to market in Q2

- Sources
 - o Consumer trends reports
 - o Retail risk indicators
 - o Stakeholders
- Recurring issues
 - o Complaints relating to claims handling
 - o Low claims ratios
 - o High commissions
- Emerging issues
 - o New distribution channels and business models

- Product design
 - Characteristics: cover, exclusions, etc.
 - Sources of consumer detriment: e.g. poor product design, value for money or product offerings
- Distribution
 - Relative importance of existing distribution channels
 - Differences: Commission levels, claims, complaints, etc.

- Sales
 - Misleading selling practices: e.g. misleading information, issues related to add-ons and cross-selling, insufficient care of demands and needs
 - Consumer behaviour: e.g. no “shopping around”
 - IDD implementation: steps taken to comply with requirement on distribution via exempted ancillary insurance intermediaries
- New distribution channels and business models
 - Digital and remote: online travel specialists (e.g. Trivago)
 - New (non-insurance, non-travel) players in distribution: business originators setting business terms (e.g. commission levels) incl. GAFAs & retail chains

- **EIOPA/CCPFI**
 - Draft Issues Note
 - Draft Industry Questionnaire for launch in Q2
- **IRSG**
 - Follow up on input provided during discussion on possible topics