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EUROPEAN INSURANCE
AND OCCUPATIONAL PENSIONS AUTHORITY

Gathering input for the fourth EIOPA Consumer Trends Report

IRSG Meeting
Frankfurt, 10 February 2015

- **EIOPA's role:**

"to collect, analyse and report on consumer trends"

- **Working Definition of "Consumer Trend":**

"Evolutions in consumer behaviour in the insurance and pensions markets related to the relationship between consumers and undertakings (including intermediaries) that are significant in their impact or novelty"

- Conduct-related trends:
 - **Misleading financial advertising/marketing**
 - **Poor claims-handling/claims management**
 - **Cross-selling**
 - **Sales incentives in life insurance**

- Product-specific areas:
 - **Unit-linked life insurance – poor selling practices**
 - **Mobile phone insurance - cross-selling**

- Market-related trends:
 - Impact of **low interest rate environment**

Trends in last Report (cont.)



- Regulatory and supervisory developments:
 - Increased monitoring of **complaints-handling**
 - **Financial education/literacy** initiatives
 - Reported activities in:
 - ❑ **Payment Protection Insurance (PPI)**
 - ❑ **Beneficiary Protection Arrangements regarding Life Insurance Contracts; and**
 - ❑ **Comparison Websites**
- Feedback: Enhance focus on positive trends as well as negative trends

IRSG input for the Fourth Report



- EIOPA will like to know the view of the IRSG on:
 - **Top 3 financial innovations** in the insurance sector in 2014.
 - **Top 3 consumer protection issues** in the insurance sector in 2014.
- In addition, we would also like your input on the following:
 - What specific **financial literacy/capability initiatives** do you think could be effective to improve the financial literacy aptitudes of consumers?
 - Have you observed concerns raised by consumer groups, or the media, regarding misleading **financial advertising** or marketing information?
 - In the life insurance sector, have you observed concerns about **“dormant” beneficiaries** being unaware, or not being notified, about pay-outs?
 - Have you seen an increase in life insurers developing business models to reduce the **pressure of high guarantees** given in the past?



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Questions?

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