



# FIVE YEARS OF THE INSURANCE DISTRIBUTION DIRECTIVE

## SESSION 3: ISSUES RELATED TO THE PRACTICAL APPLICATION OF THE IDD

Lars Gatschke, Team Finanzmarkt

# PROTECTION GAP: ANCILLARY INSURANCE INTERMEDIARIES

- Directive: Exclusion for warranty extensions and travel insurances
- Germany: Groupinsurance for Bausparkassen and PPI with an annual premium beneath 500 Euro are also excluded
- Helpful for Electronic markets, furniture shops or optician
- But no registration means in Germany no advice/no assessment of needs and demands plus no ADR
- “Wild west in blind spot of supervision” or “Many pennies make a dollar”

# CASES FROM CONSUMER CENTERS

## CASE 1:

Product is already priced with extended warranty in the store. Customer must ask at the checkout to receive the product without insurance.

## CASE 2:

Playstation sold in a package with warranty insurance. Insurance limited to Germany. Luxembourg asks for cancellation of the insurance contract. Insurer refers to electronics market. Electronics market explained that the insurance could be cancelled if the customer returned the Playstation in its original packaging.

# CASES FROM CONSUMER CENTERS

## CASE 3:

For a package tour through a travel agency, two consumers also booked a comprehensive travel insurance package. Both trips had to be cancelled due to the travel warnings in the Corona crisis and the travel price was refunded. However, the costs for the travel insurance package were not reimbursed. The insurer paid a portion of the premium to the travel agency because the insured risk had ceased to exist. However, the travel agency did not return the refunded premium.

# CASES FROM CONSUMER CENTERS

## CASE 4:

Consumers search for a (creditworthiness-free) loan on the credit portal and are then contacted and called. In the course of the call, it is claimed that it is not possible to take out a loan without taking out insurance. In the reported cases, no loan is taken out, but the consumers are said to have taken out insurance through Veritas anyway. Many only notice this when the first debits are made from the account, by which time the cancellation period has usually expired.

# CONTACTING CONSUMERS FOR A COMPLETELY DIFFERENT REASON/IN UNEXPECTED CONTEXT

## CASE 5:

Intermediary offers support with tax declaration or with writing letters of application aiming customer personal data. Subsequently, customer is approached for the sale of life insurance policies.

Particularly popular is approaching students on campus at university events where stands can be rented.

# DISTRIBUTION AS A COOPERATION PARTNER OF WELFARE ORGANISATIONS

- Showing (selfmade) identification cards of the welfare organisations
- Reference to working "on behalf" of the welfare organisation
- Use of premises of welfare organisations

# EXCURSUS: GROUP INSURANCE

- Registration of certain types of distribution of group insurance is not enough.
- Supervision and liability of the group head for the selection of insurance cover is needed.
- Situation is comparable to that of coverage concepts.



## Impressum

Verbraucherzentrale  
Bundesverband e.V.

Rudi-Dutschke-Straße 17  
10969 Berlin

[Info@vzbv.de](mailto:Info@vzbv.de)  
[www.vzbv.de](http://www.vzbv.de)

**verbraucherzentrale**

*Bundesverband*