1. **Article 25, IDD and the forthcoming Delegated Regulation establish Product Oversight and Governance requirements for manufacturers and distributors of insurance products. Please provide specific questions regarding the Scope/Definitions of those Product Oversight and Governance requirements**

Belgium
Industry
non confidential (public)
AILO
• The Directive and DR are primarily concerned with “insurance distribution” which has to refer to activities which occur post 23 February 2018. Thus these requirements can only apply to new policies post 2018 23 Feb? We presume that actions which occur on closed to new business policies that accept additional premiums; are out of scope and so are not required to be monitored and reviewed under Article 7 of the DR?

2. **The IDD will require the maintenance, operation and review of a product approval process for newly developed products and for significant adaptations of existing insurance products. Please provide specific questions regarding the establishment of such a product approval process**

Belgium	Italy
Industry	Industry
non confidential (public)	
AILO	Unipol
How does EIOPA define a ‘significant adaptation’ of an existing insurance product for the purpose of article 25.1 of the Directive and Article 4.1 of the DR?	With this in mind, we would like to ask to clarify what the applicability of the principle of proportionality could mean in relation to tailor-made contracts within the framework of the product approval process, also when considering the granularity of the target market of those products. Moreover, due to the specificities of the aforementioned contracts and the fact that they can be numerous, we would like to ask to clarify how the manufacturers shall continuously monitor and regularly review tailor-made contracts. Due to the specific, direct contact between the insurance undertaking and the client in these circumstances, de facto the manufacturer is able to know whether the insurance product is and remain consistent with the needs, characteristics and objectives of the identified target market. Therefore, it would be helpful to clarify how the monitoring requirement should be implemented in practice in this case.
	Legal instrument / provisions to which the question relates • Article 25, paragraph 1, “Product oversight and governance requirements” IDD • *Establishment and objectives of product oversight and governance arrangements*, paragraph 18 (page 13) and *Target Market* paragraph 42 (page 17) EIOPA Technical Advice on possible delegated acts concerning the Insurance Distribution Directive • Article 4, paragraph 1, “*Product approval process*” of the Commission Delegated Regulation (UE) of 21.9.2017 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to product oversight and governance requirements for insurance undertakings and insurance distributors • Points 10 and 12 of the Results of the public consultation on the draft *Lettera al Mercato concernente l’applicazione degli orientamenti preparatori EIOPA sui presìdi in materia di governo e controllo del prodotto (POG) da parte delle imprese di assicurazione e dei distributori di prodotti assicurativi* of the Italian Institute for the Supervision of Insurance (IVASS), published on September 4, 2017.
	Background note The IDD requires manufacturers to maintain, operate and review a product approval process for newly developed insurance products and for significant adaptations of existing insurance products. That process shall contain measures and procedures for designing, monitoring, reviewing and distributing insurance products, as well as for corrective action for insurance products that are detrimental to customers. The measures and procedures shall be proportionate to the level of complexity and the risks related to the products as well as the nature, scale and complexity of the relevant business of the manufacturer. With specific reference to tailor-made contracts, in the report summarizing the results of the public consultation on the draft letter to the market on product governance requirements for manufacturers, the Italian Institute for the Supervision of Insurance (IVASS) has stressed the importance of the proportionality principle. Tailor-made contracts provide for specific terms and conditions which are negotiated and agreed each time directly by the insurance undertaking and the client to address its/his precise demands and needs; hence the terms and conditions of the contract are different for each contract.

3. IDD will require the identification of the "target market" and the group of compatible customers and require the designation and marketing of only insurance products that are compatible with the needs, characteristics and objectives of the customers belonging to the target market. Please provide specific questions regarding the identification of the target market

Italy	Belgium	Belgium
Industry	Industry	Industry
non confidential (public)	non confidential (public)	non confidential (public)
ANASF - Associazione nazionale consulenti finanziari	European Federation of Financial Advisers and Financial Intermediaries (FECIF)	AILO
Neither Directive 2016/97/EU (IDD) nor the delegated Regulation provide for a requirement similar to the one pursuant to Article 9, par. 12, MiFID II Delegated Directive n. 593/2017 («investment firms consider the charging structure proposed for the financial instrument, including by examining the following: (a) financial instrument's costs and charges are compatible with the needs, objectives and characteristics of the target market; […] (c) the charging structure of the financial instrument is appropriately transparent for the target market […]»). How can this inconsistency be overcome?	Neither Directive 2016/97/EU (IDD) nor the delegated Regulation provide for a requirement similar to the one pursuant to Article 9, par. 12, MiFID II Delegated Directive n. 593/2017 («investment firms consider the charging structure proposed for the financial instrument, in-cluding by examining the following: (a) financial instrument's costs and charges are compati-ble with the needs, objectives and characteristics of the target market; […] (c) the charging structure of the financial instrument is appropriately transparent for the target market […]»). How can this inconsistency be overcome?	Does EIOPA agree that the target market for multi-option products can incorporate a number of risk profiles, and characteristics, with some common features such as a need for medium to long-term savings, and perhaps inheritance planning and access to a wide range of underlying investment options?

4. IDD requires manufacturers to test their products appropriately, including scenario analyses where relevant, before bringing that product to the market or significantly adapting it. Please provide specific questions regarding this product testing process

Belgium	Italy
Industry	Industry
non confidential (public)	
AILO	Unipol
Does EIOPA agree that for multi-option products (MOPs) the qualitative and quantitative tests under Article 6.1 of the DR may be conducted using assumed portfolios of underlying investment options based on realistic assumptions? May EIOPA please elaborate on the qualitative manner of testing, for example, any or all of the following measures: complaints experience, customer service experience, match of the product sold with the customer objectives and risk profile.? May EIOPA please clarify that the reference in Article 6.1 to 'detriment' is intended to relate to inducements as described in Article 29.2 of the Directive and art 8 of the COB DR? May EIOPA please elaborate on the quantitative manner of testing, for example whether insurers may use the PRIIPS or IDD methodologies, say RIY and return on investment to measure same on a projected or actual basis?	We would like to ask to clarify carrying out a product testing in a "qualitative manner". Qualitative testing is by definition non-numerical and involves subjectivity from the selection of methodologies to data interpretation. Therefore, we would like to ask to clarify the criteria manufacturers should use/refer to in order to determine in an objective way a "qualitative method" for product testing that is reliable and valid, also with respect to non-IBIPs products. Moreover, given the differences existing between qualitative and quantitative methods as regards to the values and objectives they bring to the research/assessment, to the data they collect and analyse and the tools they use, we would like to ask to clarify under what circumstances manufacturers have to proceed by testing their products in "a quantitative manner" and what criteria should they follow in order to draw conclusions that are consistent with the two different methods applied.
	<u>Legal instrument / provisions to which the question relates</u> • Article 25, paragraph 1, "*Product oversight and governance requirements*" IDD • *Product Testing*, paragraphs 57-62 (pag. 18-19) EIOPA Technical Advice on possible delegated acts concerning the Insurance Distribution Directive • Article 6 "*Product testing*" of the Commission Delegated Regulation (UE) of 21.9.2017 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to product oversight and governance requirements for insurance undertakings and insurance distributors • Paragraphs 15, 16, 17, Section 5 "*Test sui prodotti prima della commercializzazione*" (Product testing before bringing the product to the market) to Annex 1 "*Presidi per i produttori*" (Product governance requirements for manufacturers) of *Lettera al Mercato* IVASS "*Direttiva UE n. 2016/97 sulla distribuzione assicurativa e orientamenti preparatori EIOPA sui presìdi in materia di governo e controllo del prodotto (POG) da parte delle imprese di assicurazione e dei distributori di prodotti assicurativi*" (link), September 4, 2017.
	<u>Background note</u> Before bringing the insurance products to the market, manufacturers will be required to test them appropriately, by carrying out also scenario analyses where relevant. That product testing aims to assess whether the insurance product over its lifetime meets the identified needs, objectives and characteristics of the target market. More precisely, the delegated act requires manufacturers to test their insurance products in a qualitative manner and, whether deemed appropriate, in a quantitative manner depending on the type and nature of the insurance product and the related risk of detriment to customers. However, no specific details are provided on how implement in practice those tests, especially with reference to non-IBIPs products. In its Technical Advice, EIOPA (pages 18-20) provides for a non-exhaustive list of questions (mainly related to insurance based investment products – IBIPs) which a product assessment could imply, bearing in mind however that the range of scenario analysis needs to be proportionate to the complexity of the product, its risks and the relevance of external factors

	with respect to the product performance. With this respect, it is important to remind that Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 laying down Regulatory Technical Standards (RTS) on key information documents (KIDs) for packaged retail and insurance-based investment products (PRIIPs), requires manufactures to include appropriate performance scenario in the KID. Hence, for these insurance based investment products, manufacturers can find under this Level 2 legislation useful information on how to determine in practice the scenario analyses. Defining a product testing process, and, where relevant, a scenario analysis for non-IBIPs is instead a much more difficult exercise for manufacturers. In its Technical Advice, EIOPA believes that especially the claim ratio is an important criterion to assess whether an insurance product is of added value for consumers, but agrees that other indicators may be considered for the sake of a comprehensive assessment. With this regard, it might be important to proceed with the following clarifications. Firstly, in principle, claims do not deal with the inherent quality of the products since they usually relate to the insurance company/intermediary's conduct during the sale of the insurance products or with respect to the contract management or during the claims settlement. As a consequence, the recourse to the claim ratio as a criterion to assess whether an insurance product is of added value for consumers may be misleading. Similarly, more generally, the reference to technical or market developments for the assessment of non-life products in terms of added value for consumers may risk to be distortive, because they ensure uncertain events which are different from those covered by life insurance products.

5. Under IDD, manufacturers must continuously monitor and regularly review insurance products they have brought to the market, to identify events that could materially affect the main features, the risk coverage or the guarantees of those products. If they identify any circumstances that may adversely affect the customer, they should take appropriate action to mitigate the situation. Please provide specific questions regarding the product monitoring and review process and remedial action envisaged under ID

Belgium
Industry
non confidential (public)
AILO
Do these requirements only apply to new policies post 2018 Feb? What about closed to new business –policies that accept additional premiums? Article 7.3 of the POG DR requires distributors to take appropriate action to mitigate the situation and prevent further occurrences of the detrimental event where circumstances might adversely affect. Does EIOPA recognise that there may be limitations in making product corrections where the product is already sold because of contractual considerations in changing a product after sale? Would EIOPA provide guidance on types of circumstances envisaged?

6. IDD requires manufacturers to carefully select distribution channels and provide insurance distributors with all appropriate information on the product, the target market and the distribution strategy Please provide specific questions regarding the process for selecting distribution channels and the provision of information to insurance distributors

Belgium	Article 8.4 of the POG DR requires insurers to verify on a regular basis whether insurance products are distributed to the target market. Might EIOPA please clarify that insurance undertakings may choose to do some monitoring or other activities depending on the legal structure of the distribution channel (tied agent, or independent intermediary) and characteristics of the products (complex, non-complex, guaranteed).? Does EIOPA agree that for multi-option products (MOPs) the insurance undertaking may not be aware and therefore be unable to disclose to the distribution channel the risks, implicit costs and circumstances which might cause a conflict of interest to the detriment of the consumer, where such are (1) for risks, assessed as suitable and appropriate in the assessment undertaken by the insurance intermediary for a particular client: (2) for implicit costs, excluding costs which are costs of distribution required to be disclosed in the KID under the PRIIPS regulation, added without the knowledge of the insurance undertaking and accordingly are required to be disclosed by the intermediary under art 29.1(c) of IDD; and (3) for conflicts of interest, those of the intermediary which are required to be disclosed under Article 28 IDD.
Industry	
non confidential (public)	
AILO	

7. The IDD requires relevant actions by manufacturers in the product approval process to be duly documented, kept for audit purposes and made available to competent authorities upon request. Please provide specific questions regarding this process of documentation

Belgium
Industry
non confidential (public)
AILO
Does EIOPA intend to provide a template of relevant actions taken by manufacturers in relation to the product approval process, or otherwise define the format, detail and information expected to be kept and provided to competent authorities, or alternatively is this a matter for the competent authority to provide guidance on? It is expected that the audit information on the process will come from a number of sources within an organisation: sales, marketing, product design, compliance and risk departments, and it would be helpful for auditing purposes if there was a one-stop-shop template. Whom in the organisation does EIOPA expect to be the responsible department for steering the documentation process?

8. Please provide any other questions you have regarding POG requirements for manufacturers under the IDD

Germany	Belgium	Italy
Industry	Industry	
non confidential (public)	non confidential (public)	
German Insurance Association	AILO	Unipol
Core content of the POG requirements is the principle of proportionality. The present Regulation ensures a coherent framework for all market operators and an appropriate standard of consumer protection. Hence we have no specific questions.	Would EIOPA please clarify whether Article 3.2 of the POG DR only refers to features of the insurance product wrapper or whether a selection of underlying investment options may constitute manufacturing and if so in which circumstances?	With this regard, we would like to ask to clarify – also through examples – how manufacturers can ensure that the product approval process support a proper management of conflicts of interest during the lifecycle of the product.
		Legal instrument / provisions to which the question relates • Article 25, paragraph 1, "*Product oversight and governance requirements*" IDD • Article 4, paragraph 3, "*Product approval process*" of the Commission Delegated Regulation (UE) of 21.9.2017 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to product oversight and governance requirements for insurance undertakings and insurance distributors • Paragraph 2, Section I "*Elaborazione dei presidi in materia di governo e controllo del prodotto*" (*Establishment of the product oversight and governance requirements*) to Annex 1 "*Presidi per i produttori*" (*Product governance requirements for manufacturers*) of *Lettera al Mercato* IVASS "*Direttiva UE n. 2016/97 sulla distribuzione assicurativa e orientamenti preparatori EIOPA sui presìdi in materia di governo e controllo del prodotto (POG) da parte delle imprese di assicurazione e dei distributori di prodotti assicurativi*", September 4, 2017.
		Background note According to Level 1 and Level 2 rules on insurance distribution activities, the product approval process shall ensure that the design of insurance products meets a number of specified criteria and support a proper management of conflicts of interest. Likewise, at national level, the Italian Institute for the Supervision of Insurance (IVASS) in its Lettera al Mercato specifies that product governance arrangements (presidi) for manufacturers shall identify the procedures to support a proper management of conflicts of interest which may arise during the design of the product or during its lifecycle. However, no specific indications are given on how to implement in practice the required arrangements/procedures to support a proper management of conflicts of interest.

9. Please provide any other questions you have regarding POG requirements for distributors under the IDD

Italy	Belgium	Germany
Industry	Industry (e.g. Insurance Undertaking, Broker, Industry association)	Industry
non confidential (public)	non confidential (public)	non confidential (public)
ANASF - Associazione nazionale consulenti finanziari	European Federation of Financial Advisers and Financial Intermediaries (FECIF)	German Insurance Association
The delegated Regulation does not provide for a requirement similar to the one pursuant to Article 10, par. 7, MiFID II Delegated Directive n. 593/2017 («relevant staff possess the necessary expertise to understand the characteristics and risks of the products that intend to offer or recommend and the services provided as well as the needs, characteristics and objectives of the identified target market»). How can this inconsistency be overcome?	Question. The delegated Regulation does not provide for a requirement similar to the one pur-suant to Article 10, par. 7, MiFID II Delegated Directive n. 593/2017 («relevant staff possess the necessary expertise to understand the characteristics and risks of the products that intend to offer or recommend and the services provided as well as the needs, characteristics and objec-tives of the identified target market»). How can this inconsistency be overcome?	Core content of the POG requirements is the principle of proportionality. The present Regulation ensures a coherent framework for all market operators and an appropriate standard of consumer protection. Hence we have no specific questions.

10. The IDD establishes procedures and measures regarding the identification, management and prevention of Conflicts of Interest that arise in the course of insurance distribution activities between insurance intermediaries and insurance undertakings, and their customers. Please provide specific questions you have regarding the Scope/Definitions of those requirements regarding Conflicts of Interest

Belgium
Industry
non confidential (public)
AILO
Article 3.6 of IDD requires certain minimum information regarding conflicts of interest to be requested by a MS as a condition of authorisation. Will this apply retrospectively to authorisations already granted? What information does EIOPA consider MS's must request under Article 3.6 of IDD, for example that stated in Articles 19(1)(a)(b) of IDD and article 4 and 5.1 of the COB DR ?

11. The IDD sets out provisions on how to identify and assess whether a typical conflict of interest arises in the course of insurance distribution activities between insurance intermediaries and insurance undertakings, and their customers. Please provide specific questions regarding the provisions for identifying and assessing conflicts of interest

Belgium
Industry
non confidential (public)
AILO
Would EIOPA please clarify that the mere receipt of a fee, commission or non-monetary benefit which would otherwise be permissible for the purpose of article 29.2 IDD and article 8 of the COB DR would not constitute potential detriment to the customer?

12. The IDD sets out a requirement for insurance intermediaries and insurance undertakings to assess and periodically review their conflicts of interest policies and keep appropriate records. Please provide specific questions regarding the provisions concerning review and record-keeping in this context

Belgium	Would EIOPA please clarify whether distributors whom are intermediaries, are required to provide written reports annually to senior management of the insurance undertaking, or only to their own senior management (ie of the intermediary)?
Industry	
non confidential (public)	
AILO	

13. Please provide any other questions you have regarding the Conflicts of Interest provisions under IDD

Germany	The goal to protect consumers has clearly been formulated. That aim can be achieved by various means. The IDD establishes measures regarding the identification, management and prevention of Conflicts of Interest. Where insurance intermediaries and insurance undertakings can demonstrate that the measures and procedures are not appropriate they shall adopt adequate alternative measures. As a measure of last resort remains the disclosure. Hence we have no specific questions regarding the Conflicts of Interest provisions.
Industry	
non confidential (public)	
German Insurance Association	

14. The IDD sets out series of provisions, including a set of general criteria, for assessing whether an inducement or an inducement scheme has a detrimental impact on the quality of the relevant service to the customer a) Please provide any questions regarding the process for assessing inducements or inducement schemes, including the general principle under which a detrimental impact on the relevant service to the customer is deemed to occur b) Please provide specific questions on the individual criteria provided for under the Commission's Delegated Regulation (Article 8(2)(a)-(f))

Italy	Belgium
Industry	Industry
non confidential (public)	non confidential (public)
ANASF - Associazione nazionale consulenti finanziari	European Federation of Financial Advisers and Financial Intermediaries (FECIF)
A) In light of the higher and more effective standard of quality for the investors set by MiFID II with regard to the assessment of inducements, how can the goals of ensuring investor protection under the IDD and guaranteeing a level playing field between the financial and insurance sectors be met? B) • Criterion a). This criterion is too ambiguous: is a "better" product or service to be found on the whole market or within the range offered by the insurance intermediary or insurance undertaking? The first solution (whole market analysis) appears to be too cumbersome and practically impossible to prove (probatio diabolica). Conversely, is it possible to apply criterion a) in light of the results of the appropriateness/suitability assessment, within the range offered by the distributor? • Criterion c) is too generic. According to which parameters should the value of the inducement be compared to the value of the product and services? Is it possible to provide some further guidance to understand how this criterion would apply? • Is it possible to interpret criterion d) in the sense that on-going inducements are admit-ted, insofar as they correspond to an on-going benefit for the customer? Cf. the requirement pursuant to Article 11(2)(c), MiFID II Delegated Directive n. 593/2017 («it is justified by the provision of an on-going benefit to the relevant client in relation to an on-going inducement»).	20) a) In light of the higher and more effective standard of quality for the investors set by MiFID II with regard to the assessment of inducements, how can the goals of ensuring investor protec-tion under the IDD and guaranteeing a level playing field between the financial and insurance sectors be met? 20) b) Criterion a). This criterion is too ambiguous: is a "better" product or service to be found on the whole market or within the range offered by the insurance intermediary or insurance undertaking? The first solution (whole market analysis) appears to be too cumbersome and practically impossible to prove (probatio diabolica). Conversely, is it possible to apply criterion a) in light of the results of the appropriateness/suitability as-sessment, within the range offered by the distributor? Criterion c) is too generic. According to which parameters should the value of the in-ducement be compared to the value of the product and services? Is it possible to pro-vide some further guidance to understand how this criterion would apply? Is it possible to interpret criterion d) in the sense that on-going inducements are admit-ted, insofar as they correspond to an on-going benefit for the customer? Cf. the re-quirement pursuant to Article 11(2)(c), MiFID II Delegated Directive n. 593/2017 («it is justified by the provision of an on-going benefit to the relevant client in relation to an on-going inducement»).

15. **The IDD establishes procedures for assessing the suitability and appropriateness of products distributed to customers by insurance intermediaries or insurance undertakings Please provide specific questions you have regarding the Scope/Definitions of those requirements regarding the Assessment of Suitability and Appropriateness**

Belgium
Industry
non confidential (public)
AILO
Article 30 and pre-23 February 2018 business - Articles 18-20 and 29 appear to clearly and unambiguously state that they only apply to new contracts given the words "before" and "prior to" conclusion of a contract. Despite this, there is some concern that Article 30 could apply to pre 23 February 2018 contracts where any ongoing advice is given, so that in particular the periodic suitability provision will apply. We believe that Article 30 has to be read in conjunction with the aforementioned Articles not least due to the words in 30.1 "without prejudice to Article 20(1)" and be construed as to apply only to contracts sold on or after 23 February 2018.

16. **The IDD lays down certain requirements as regards the information to be obtained from the customer or potential customer for the purposes of the assessment of suitability. Please provide specific questions regarding these requirements**

Spain	Italy	Belgium	Belgium
Myself	Industry	Industry	Industry
non confidential (public)	non confidential (public)	non confidential (public)	non confidential (public)
	ANASF - Associazione nazionale consulenti finanziari	European Federation of Financial Advisers and Financial Intermediaries (FECIF)	AILO
It is possible to sell a product, when the result of the suitability test is that it is not suitable	How can the aforementioned requirements be interpreted so as to take into account the specificity of insurance products? E.g., the reasons for purchasing a life insurance policy (retirement, family protection …), customer's preferences between a lump sum or an annuity to be paid according to contractual clauses and options.	How can the aforementioned requirements be interpreted so as to take into account the speci-ficities of insurance products? E.g., the reasons for purchasing a life insurance policy (retire-ment, family protection …), customer's preferences between a lump sum or an annuity to be paid according to contractual clauses and options.	Article 30 IDD requires the distributor to obtain the "necessary information" regarding the customer's knowledge and experience in the investment field…." Construed strictly and in isolation this would mean that a product could not be recommended to a person who did not have the knowledge and also the experience of, for example, collective investment products. Can EIOPA please clarify this is not the intention and the assessment is holistic. In art 30.1 IDD, what is intended to be meant by the phrase "experience in the investment field relevant to the specific type of product or service"? Is Article 30.1 to be read in conjunction with Article 20.1 and the assessed demands and needs of the client in quantifying knowledge and experience?

17. **IDD sets down requirements regarding ensuring the reliability of information collected about customers, communication with customs regarding the assessment of suitability, automated advice and group insurance. Please provide specific questions regarding these requirements**

Belgium	Will the use of profiling and similar tools by the distributor be considered reasonable evidence of suitability?
Industry	
non confidential (public)	
AILO	

18. **IDD sets down requirements regarding the provision of a suitability statement where advice is provided on the suitability of an insurance-based investment product. Please provide specific questions regarding these requirements**

Germany	**Belgium**
Industry	Industry
non confidential (public)	non confidential (public)
German Insurance Association	AILO
In deciding whether or not an insurance-based investment product is complex, the contractually guaranteed minimum maturity value is adequately taken into account. We have no questions regarding the provision of a suitability statement where advice is provided on the suitability of an insurance-based investment product.	There is requirement in article 9.7 of the COB DR requiring the distributor when giving advice on a switch between underlying assets to undertake an analysis of the expected costs and benefits. This is difficult to assess when the future performance of the new option is unknown, and could lead to litigation when the new option causes the policyholders to suffer a loss due to market trends / sudden shocks that could not be foreseen. Does EIOPA agree that the word "expected" implies that the distributor is held to a standard of what is to be reasonably expected bearing mind that investment values can go down as well as up, and past performance is not necessarily an indicator of future performance.? Does EIOPA recognise that there are situations where the distributor is not required to give advice in relation to a switch, because (1) neither IDD nor the MS requires advice be given, (2) there is a circumstance when an advice is given but the customer does not heed the advice and wishes to perform a switch and/or (3) the customer has a contractually guaranteed right to switch. Does EIOPA agree that even when the distributor has opted to give a periodic assessment of suitability after the sale of the contract (art 30.5 para 4) a switch may occur in the absence of advice?

19. IDD sets down provisions for periodic reports on the services provided to the customer and retention of records of the assessment of suitability and appropriateness. Please provide specific questions regarding these requirements

Belgium Industry non confidential (public) AILO	These questions concern article 30.5 IDD para 1. Does EIOPA agree that the insurance distributor has the primary obligation to give 'adequate reports provided on the service'? This would appear to be implied by the word 'service' as opposed to 'product'. Would EIOPA clarify that these reports for which the distributor is primarily liable include the information required under article 29.1, para 2 and 3 , and Article 18 of the COB DR with the insurer always remaining liable for delivering information required by article 185 of Solvency II.?

20. IDD sets down rules for determining when an insurance-based investment product can be distributed without a suitability or appropriateness assessment. Please provide specific questions regarding the application of these rules

Italy Industry non confidential (public) ANASF - Associazione nazionale consulenti finanziari	Belgium Industry non confidential (public) European Federation of Financial Advisers and Financial Intermediaries (FECIF)	Belgium Industry non confidential (public) AILO
Considering the innate variability of returns, risks and costs, we do not believe that "execution-only sales" may be possible in the case of IBIPs. Is this interpretation correct?	Considering the innate variability of returns, risks and costs, we do not believe that "execution-only sales" may be possible in the case of IBIPs. Is this interpretation correct?	Would EIOPA please elaborate on the phrase 'a structure which makes it difficult for the client to understand the risks involved' for the purpose of article 30.3(a)(i) and for article 16(e), particularly whether there are any differences in the two usages.

21. Please provide any other specific questions regarding any other aspects of the Level 1, Level 2 and Level 3 provisions of the IDD

Germany	Belgium Industry
NC (public)	NC (public)
German Insurance Association	AILO
We consider that the IDD together with the delegated acts provide the right balance between setting uniform increased standards of consumer protection and flexibility, thus safeguarding the principle of proportionality. So far, no questions on the application of the new rules have been raised by our members which we would not be able to answer ourselves. Should such questions or application problems arise once the IDD and its level 2 measures are applied in practice we will seek clarification with EIOPA and use the opportunity to submit questions also after the deadline for the present consultation has transpired.	The distributor is responsible for providing the client with the KID in good time prior to the conclusion of the contract and has in addition to provide the "costs of distribution". Therefore we presume that the costs referred to in the paragraph following 29.1(c) IDD relate solely to any distribution service costs not already included in the KID, being the cost of initial and any annual or other ongoing advice and nothing more.

22. To which Article(s) in IDD or its implementing measures is/are your question(s) relating to?

Belgium Industry non confidential (public) AILO
29.1