

Insurance Distribution Directive

Directive (EU) 2016/97 — the Insurance Distribution Directive (IDD) — regulates how insurance products are designed and distributed in the EU. It sets out to harmonise regulation of the insurance market across the single European market and to improve consumer protection standards. The IDD aims to ensure that distributors take responsibility for consumer outcomes and that the products sold meet consumers' needs.

The IDD sets out the information to be given to consumers before they sign an insurance contract. It also:

- imposes conduct of business and transparency rules on distributors
- clarifies procedures and rules for cross-border business
- lays down rules for the supervision and sanctioning of insurance distributors that don't comply with the IDD.

The rules of the IDD apply to the sale of all insurance products. More prescriptive rules apply to distributors selling insurance products that have an investment element, e.g. unit-linked life insurance contracts.

The IDD is a minimum harmonising directive, allowing Member States to introduce additional provisions or to bring additional activities into the scope of the regulations. The IDD does not stop Member States from keeping or introducing more stringent provisions, as long as they are consistent with the directive.

Find the answers to your questions about complying with the IDD in our [QA section](#).

Regulations under the Insurance Distribution Directive

The IDD is a minimum harmonising directive, and its provisions are specified by regulations. Two delegated regulations in particular cover:

1. product oversight and governance requirements for insurance undertakings and insurance distributors
2. information requirements and conduct of business rules applicable to the

distribution of insurance-based investment products

Insurance product information document

The IPID provides consumers with all the relevant information about a non-life insurance product. This allows them to compare product offers and to make informed decisions.

The standard format for the IPID is set out in an [implementing regulation](#).

The IPID is a short, stand-alone document that must be clear and easy to read, written in an official EU language and readily photocopied.

The content of the IPID is set out in the text of the IDD. It must contain the following:

- information about the type of insurance
- a summary of the insurance cover, including the main risks insured, the insured sum and, where applicable, the geographical scope, and a summary of the excluded risks
- how to pay premiums and the duration of payments
- the main exclusions preventing claims from being made;
- obligations at the start of the contract and during the term of the contract;
- obligations in the event that a claim is made;
- the term of the contract, including start and end dates, and how to end the contract.

Read EIOPA's draft implementing technical standards for the IPID.

Go to this [link](#) to download EIOPA's editable template for the IPID.

General good provisions

General good rules are provisions which are part of the legal system of the host country. EIOPA has examined and reported on the general good rules published by Member States as referred to in Article 11(5) of the IDD.

[Read more about national general good provisions.](#)

Evaluation of the structure of insurance intermediaries markets in Europe

EIOPA publishes on a regular basis reports on the Evaluation of the Structure of Insurance Intermediaries Markets in Europe in accordance with Article 41(5) of the Insurance Distribution Directive (IDD). These reports provide an overview of

the status of the European intermediaries markets.

Sanctions

According to Article 32(3) of the IDD, competent authorities shall inform EIOPA of all administrative sanctions and other measures imposed, but not published in accordance with paragraph 1, including any appeal in relation thereto and the outcome thereof.

Furthermore, according to Article 36(2), competent authorities shall provide EIOPA annually with aggregated information regarding all administrative sanctions and other measures imposed in accordance with Article 31.

EIOPA publishes on an annual basis a report with information on the administrative sanctions and other measures imposed.