



06 May 2022

Open Hearing on draft guidelines on integrating the customer's sustainability preferences in the suitability assessment under the IDD

EVENT
EVENT TYPE:
Public hearing
START DATE:
06 May 2022
END DATE:
06 May 2022

The consultation paper as well as the open hearing on draft Guidelines on integrating the customer's sustainability preferences in the suitability assessment under IDD aim to gather stakeholders' views on EIOPA's proposals. The consultation period will end on 13 May 2022.

The public hearing will be of interest to financial market participants, their

representative associations, investor representatives or consumer bodies, and consultants or academics and representatives from the EU and national institutions.

During the open hearing EIOPA will discuss and gather input on the main proposals, including:

- How insurance intermediaries and insurance distributors providing advice on IBIPs, should help customers to understand the concept of their “sustainability preferences” and the investment choices to be made in this context
- The collection and updating of information from customers on their sustainability preferences
- How insurance intermediaries and insurance distributors should match the customer preferences with products, based on the Sustainable Finance Disclosure Regulation (SFDR) product disclosure templates, including for Multi-Option Products
- At what point in time the sustainability preferences of the customer should be assessed. The Delegated Regulation states that sustainability preferences should only be assessed once the suitability has been assessed in accordance with the criteria of knowledge and experience, financial situation and other investment objectives.
- What knowledge and skills on sustainable finance are expected of insurance intermediaries and insurance undertakings providing advice on IBIPs. EIOPA clarifies that all insurance intermediaries and insurance undertakings providing advice on IBIPs should have basic knowledge and skills on sustainable finance in order to conduct the top-up suitability assessment.

Registration and agenda

Registrations are open until 30 April 2022.

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Public consultation

The consultation period will end on 13 May 2022.

In the consultation paper, EIOPA consults on its proposal for guidelines on the process for integrating the sustainability preferences of customers in the suitability assessment, which is carried out by insurance undertakings and insurance intermediaries who are providing advice on Insurance-Based Investment Products (IBIPs). These Guidelines are complementary to a Commission [Delegated Regulation](#) under the IDD, which brings about important changes for consumers and market participants and will apply as of 2 August 2022.

As stated in the Delegated Regulation, the main objective of including these sustainability preferences in the advisory process is to ensure that it does “not lead to mis-selling practices or to the misrepresentation of insurance-based investment products as fulfilling sustainability preferences where they do not”. The guidelines aim at promoting a better understanding of the new provisions, restrict the potential for mis-selling of insurance products with regards to the sustainability preferences of consumers; and promote a more convergent approach by NCAs in terms of supervision of insurance undertakings and insurance intermediaries.

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27 Apr 2022