



COURTESY TRANSLATION
(*Only the Italian version is authentic*)

CONSUMER PROTECTION DIRECTORATE
Products and Selling Practices Division
Foreign Undertakings Division

To the insurance undertakings whose head offices are located in another Member State of the EEA carrying on business in Italy under the right of establishment or the freedom to provide services

TO THEIR PREMISES

RE: Investigation into “dormant” life assurance policies.

Since 2017 IVASS has been performing an investigation into “dormant” life assurance policies, namely those life policies that have not been paid to the beneficiaries and that lie dormant at insurance undertakings, already time-barred or waiting to become time-barred: these may be either policies on the death of the insured, of which beneficiaries are not aware, or “savings” policies which have reached maturity but have not been collected for various reasons.

The survey has covered Italian insurance undertakings and the Italian branches of insurance undertakings whose head offices are in a non EEA country and has allowed IVASS to collect the first data on the scale of the phenomenon, in terms of number of “dormant” policies and relevant amounts insured¹, and to acquire information on the

¹ The scope of the research on dormant policies has been extended during the various phases of the investigation; today it covers contracts expired from 2001 to 2017 and not yet settled, as well as whole life policies in force at 31 December 2016 regardless of when they were entered into. The letters regarding the investigation, addressed to the Italian undertakings and non EEA branches of [8 February 2017](#), [14 December 2017](#), [29 December 2017](#), [6 April 2018](#), [3 September 2018](#) and the [report on the investigation](#) are available on IVASS' website.

processes adopted by undertakings to check the deaths of insured persons, identify and trace the beneficiaries, guarantee the payment of the amounts to the beneficiaries.

Thanks to the data acquired until now 187,493 policies have been “awakened”, for a total of 3.5 billion euro paid or in course of payment to beneficiaries. At present, we are still conducting checks on other 900,000 contracts expired in the 2007-2016 period, mainly relating to term life insurance policies and to policies expired between 2001 and 2006 and in 2017.

Now, the need to have a more complete survey of the size of the phenomenon of dormant policies regarding Italian citizens and the importance to ensure that the sums arising from their savings and pension choices fall into the hands of their beneficiaries regardless of whether they were insured with an Italian or a foreign undertaking, has led IVASS to extend the survey also towards EEA insurance undertakings operating in Italy.

For this purpose life assurance undertakings operating in Italy under FoS/FoE are required to send the data indicated in annex 1, in relation to policies reaching maturity from 1 January 2001 to 31 December 2017 (term life insurance, mixed policies, endowment, capital redemption operations, etc.) and whole life policies (and options for the automatic extension of maturities) outstanding at 31 December 2018.

The data requested concern the life policies of classes I, III and V, stipulated on an individual basis by Italian citizens, and those that, although stipulated on a collective basis from a formal point of view, in fact consist in the subscription of a framework agreement (for example “collective” PPI policies (*Payment Protection Insurance*) on an individual basis. The scope of the investigation does not include collective policies underwritten by a policyholder (for ex. employer) for the protection of the interests of a given community, on the assumption that the social context in which the pension plan was underwritten further mitigate the possibility that the employer and/or the other members of the community remain inactive and do not try to facilitate the payment of the amounts in case of death of one of the members.

Undertakings are required to fill in the three excel tables in annex 1, according to the respective instructions provided.

In particular, for term life insurance (table 1) and for “mixed policies, endowment, deferred annuities and capital redemption operations” (table 2), data shall be provided on

the number of policies - regardless of when they were entered into - which reached maturity from 2001 to 2017, on the policies paid and on the policies still outstanding for different reasons. Initial insured sums must be indicated for term life insurance, while for the other types of insurance data on the insured amounts valued at contract maturity must be provided only in relation to potentially “dormant” policies.

With regard to “term life insurance” policies that have not been settled, considering that the absence of a notice of death is not sufficient to exclude that the insured has died (the beneficiaries may simply not be aware of the existence of the policy), we ask to provide the data on those cases where it has not been possible to ascertain that the insured person is alive after the contract maturity, and therefore it cannot be excluded that it is a case of a “dormant” policy.

Given that the suspension of premium payment might depend on the will of the policyholder, but also on his/her death not reported, undertakings shall indicate - among the policies terminated - only those for which they have ascertained the will of the policyholder to suspend the payment of the premiums. This type of check is also requested in case of “mixed policies, endowment, deferred annuities and capital redemption operations” (table 2).

The check, either already made in the past or to be made further to this request, shall be based on documentary evidence, such as, for example, changes in anagraphic or contractual data made by the insured after contract maturity on other policies in the portfolio, or on news directly acquired from insurance intermediaries or other companies of the Group. Cross-checks between different databases available at the undertakings (for example portfolios relating to other classes, complaints, etc.) and those of intermediaries may facilitate the controls.

For contracts not having a defined maturity date, such as “whole life” contracts and policies with automatic extension of maturities (table 3), undertakings are required to provide data on the number of policies – regardless of when they were entered into – in force at 31 December 2016 and on the relevant amounts insured, showing in detail:

- The policies with a minimum duration of 10 years, specifying for how many of them the insured person has performed operations in the last three years (for example payment of periodic premiums, communications of change of

residence, domicile or beneficiaries, inquires, complaints...) or the undertaking has acquired information directly from insurance intermediaries or other companies of the Group;

- policies on insured persons belonging to some specified age groups (85-90 years; 90-100 years; more than 100 years).

Information must obviously include policies involved in extraordinary operations (portfolio transfers and mergers).

The three excel tables reported in annex 1 shall be sent to IVASS, duly filled in, no later than 28 February 2019, to the email address: dormienti_estere@ivass.it.

As regards the policies expired between 2001 and 2017 and whole life and similar contracts in force on 31 December 2018, for which the undertaking has not been able to ascertain whether the insured has died or is still alive, IVASS, in collaboration with the Revenue Authority, is offering a service aimed to cross-check the tax codes of the Italian holders of residual policies, potentially dormant, and the data on deaths available at the Tax Register. This service will make it possible, also for these policies, to ascertain the death of the insured and the corresponding date and, thanks to this cross-check, will help undertakings in their search for the beneficiaries.

In this regard, once information has been obtained from the Tax Register, IVASS will return to each undertaking the tax codes of deceased persons with the date of death, together with the tax codes that did not match the data in the Tax Register (either because they are non-existent or incorrect).

The policyholders' tax codes shall undergo a formal check before being sent to IVASS and shall be sent, in accordance with the instructions given in annex 2, to the email address: dormienti_estere@ivass.it, together with the data specified in annex 1, with the indication of the name of a contact person and their telephone number and email address.

The Home Supervisory Authorities have been duly informed about the initiative.

For any further information please contact Ms Alessandra Piacentini (alessandra.piacentini@ivass.it, tel. 06/42133460) or Ms Maria Cristina Giustiniani (Mariacristina.Giustiniani@ivass.it, tel. 06/42133518).

Best regards

By delegation
of the Joint Directorate