

COURTESY TRANSLATION  
(Only the Italian version is authentic)



## **Brexit: implications for Italian policyholders of UK undertakings**

### **FAQ**

On 25 June 2018 EIOPA (European Insurance and Occupational Pensions Authority) published an [Opinion](#) drawing attention to the need that European insurance undertakings and insurance intermediaries to inform customers:

- about the possible impact of the Brexit on existing insurance contracts;
- of the measures taken to ensure, after Brexit, service continuity and the implementation of contracts concluded.

In particular [UK insurance undertakings pursuing business in Italy](#) shall without delay inform policyholders and beneficiaries of existing insurance contracts, as well as anyone intending to take out a new contract, to make them aware of the possible changes to their contracts after Brexit.

IVASS, in collaboration with EIOPA and the other European authorities, will monitor the adoption and correct implementation of the contingency measures by UK undertakings.

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1) **What shall UK insurance undertakings and insurance intermediaries do to protect Italian customers?**

They shall inform customers about the changes planned in view of Brexit to ensure business continuity in Italy (for example change in the corporate form, move of the head office to another EU country, transfer of the policies to another company in another EU country granting the right to terminate the contract...) and about how these action plans will influence existing contracts and their management.

This may, for example, include: i) information on the change of the contractual counterparty and on the right to terminate the contract, in those cases where the portfolio of policies is transferred to another company, or ii) loss of protection provided by a national compensation scheme in case of defaults, or when the policies are transferred to an undertaking located in a country where there are no such schemes.

2) **What will happen to an insurance contract with a UK undertaking after Brexit? Will Italian policyholders lose their rights and claims with regard to the undertaking?**

The changes that may occur at the company level after Brexit will neither limit or condition existing insurance covers nor the amount of premiums.

However the impact of Brexit on contractual relationship between customers and their insurance undertakings will also depend on the national legislation applicable to the insurance contract.

Although it is generally acknowledged that these contracts will remain valid, the ability of UK undertakings to provide insurance services between the United Kingdom and the other Member States of the European Union will change depending on the action plan that each undertaking has adopted or is adopting to ensure continuity of services in the European Union. For example when the policies are transferred to another company in another EU country, the contractual counterparty would change, but the customer's contractual rights

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and duties would remain unchanged, except for the customer's right to terminate the contract within 60 days.

**3) Is it necessary to terminate the insurance contract in view of Brexit?**

There is no reason to terminate an insurance contract only because of Brexit. Much will depend, however, on the specific features of the single contract.

The insurance undertaking with which the contract has been taken out or the insurance intermediary proposing it may however provide further information and support in assessing the different options.

The early surrender of the policy or its termination might be disadvantageous, for example for long term life policies, if the policy envisages penalties in case of surrender or if it offers higher financial yields than current market yields.

**4) Who can citizens contact for any further queries on Brexit?**

Citizens may contact the UK insurance undertaking with which they have concluded the policy or the intermediary through which they have purchased it and consult their site.

For general information about the impact of Brexit on insurance contracts you can contact IVASS' Consumer Contact Centre at the free phone number 800.486.661

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