

INVESTIGATION INTO COMPARISON WEBSITES IN THE ITALIAN INSURANCE MARKET

Findings and consequent supervisory actions

As a result of the "[Investigation into comparison websites in the Italian insurance market](#)" carried out by IVASS and published on its website, various critical issues have emerged in sensitive areas for the protection of the consumer, summarised as follows:

Conflicts of interest

- ✚ websites compare only (or mostly) undertakings with which they have entered into partnership agreements and from which they receive commissions;
- ✚ such conflict of interest is not clearly disclosed.

Market coverage. Indication of the number of compared undertakings

- ✚ the indication of the "market coverage", understood as the share of compared undertakings over the total, is absent or misleading;
- ✚ a number of compared undertakings (usually 18) higher than the actual one is advertised.

Comparison criteria

- ✚ comparison is based merely on price; the contents of the policy (maximum amount of cover, deductibles, recourse, exclusions ...) are not compared;
- ✚ this involves the risk that customers are not offered a suitable product in relation to their insurance needs, and that non-homogeneous products are compared;
- ✚ there is an unjustified variability of comparison outputs (numerical instability) and the reasons for the non-quotation by some undertakings are not provided;
- ✚ the absence of quotations for certain particularly unfavourable profiles (age, territorial area) suggests that there may be risk selection policies, perhaps even agreed with partner undertakings.

Combination with motor liability ancillary covers

- ✚ the forced combination of ancillary covers, even when not requested by the consumer, as a probable consequence of remuneration policies (websites receive higher commissions in case of combination);
- ✚ to remove the covers consumers must use the uncheck mechanism (*opt out*).

Advertising messages

- ✚ advertising messages such as "save up to 500 euro" or "compare the *best* products or the *best* undertakings" are not based on verifiable elements or do not provide indication on the evaluation criteria.

Consent to Privacy and other disclaimers



- ✚ automatic acquisition through one single click of a plurality of consents to the processing of data relevant for privacy, their use for advertising or commercial purposes and to the taking note of the pre-contractual information envisaged by insurance regulations;
- ✚ this weakens the level of consumer awareness about the consents given.

Transparency of information on websites

- ✚ the information about the website, its role and the activity carried on is not readily available and not adequately highlighted;
- ✚ the commercial nature of the activity and of the website's ownership structure are not immediately evident;
- ✚ no indication is given on how to submit complaints.

---000---

In consideration of these critical situations, IVASS has intervened against the comparative sites that were investigated, asking them to adopt, by 31 January 2015, specific corrective measures, summarised as follows:

- ✚ to show in the home page the list of insurance undertakings with which there are partnership agreements for purposes of comparison, and to clearly indicate that the comparison service is subject to remuneration by those undertakings;
- ✚ to indicate in the comparison output, for each policy, the commissions paid by the undertaking in the event of conclusion of the contract;
- ✚ to clearly indicate the market share compared;
- ✚ to guarantee that the number of undertakings advertised for comparison corresponds to those actually compared. In case of non-quotation of one or more undertakings, an explanation must be given and the missing quotations must be provided to the consumer at a later stage;
- ✚ to adopt such a process of identification of the customer's insurance needs and of quotation, as to display a ranking containing only products that meet the needs expressed by the customer;
- ✚ not to base comparison only on price but also on the policy's key features, presenting them according to a uniform standard which facilitates comparison among the various offers;
- ✚ to avoid forced combinations of ancillary and motor vehicle liability cover and opt-out mechanisms to be used by the consumer;
- ✚ to modify the procedure for collecting the consent to privacy and other "disclaimers";
- ✚ to revise the advertising messages in line with the existing legislation on misleading advertising.