



(only the Italian version is authentic)

CONSUMER PROTECTION DIVISION

Ref. to note no.		of	To insurance undertakings whose head offices are located in Italy pursuing motor liability insurance
Classification	III	2	1
Encl. no.			TO THEIR PREMISES
			To the branches in Italy of insurance undertakings whose head offices are in a non EEA Country, pursuing motor liability insurance in Italy
			TO THEIR PREMISES
			To insurance undertakings whose head offices are in another EEA Member State pursuing motor liability insurance in Italy under the freedom to provide services or the right of establishment
			TO THEIR PREMISES

Subject Investigation on free motor liability policies offered with the purchase of cars. Directives to the undertakings.

Following the conclusion of the investigation carried out by IVASS in relation **to free motor liability policies offered with the purchase of a new car**, the need has arisen to provide directives to the undertakings aimed at preventing any possible detriment in respect of the insured persons involved; in order to guarantee the principle of continuity of the insurance history acquired before the acceptance of the offer. In particular:

Free insurance policies already issued and still in force

1. In the cases where the consumer has in force one of the free insurance coverages in question, the undertaking which has covered the risk will issue, on the expiry date, a certificate of claims experience in the name of the owner of the vehicle that shows the original CU bonus class (i.e. possessed before the acceptance of the offer) and highlights the number of claims of the insured person in the last five years, including that of the promotional period. The undertakings, to which the insured person will address to return to the Bonus-Malus tariff formula after the said



period, should take into consideration, for the purposes of placing the contract in the correct CU bonus class, the insurance history prior to the free coverage period and the number of claims recorded in this period, as represented in the certificate issued, so as to avoid discontinuities in the insurance history.

By way of example, if the insured person was in class CU 3 before the offer and has not caused accidents during the free coverage period, he/she is entitled to be placed in class CU 2.

For free coverage lasting less than one year the undertaking, which has concluded the free insurance policy, will release a substitutive statement certifying the number of claims during that period. In this case, the undertaking to which the insured person will address at the end of the promotional period will classify the contract taking into account the CU bonus class prior to acceptance of the offer.

2. If the consumer is insured for the first time with a free insurance policy, still in force, at the end of the period of free coverage the undertaking, which has covered the risk, will issue a certificate of claims experience. This shall be registered to the owner of the vehicle relative to the period of free coverage or, for free coverage lasting less than one year, a substitutive statement certifying the number of claims during the same period. The certificate must also show the original CU class to which the insured person would have been entitled at the time of acceptance of the offer, by virtue of the implementation of the so-called Bersani Decree, where applicable.

- a. If there are no claims on the certificate where the insured person had the primary liability, the undertakings to which the policyholder will address at the end of the free period shall assign to the insured person, if the relevant conditions are satisfied, the benefits of the so-called Bersani Decree and they will take account of the number of claims during the free period. Vice versa, if there are claims where the insured person had the primary liability during the free coverage period, the undertakings shall apply the *malus* for the number of claims of the last period, but evaluated starting from the bonus class acquired on the vehicle owned by the cohabiting family member. By way of example: if at the time when the offer was accepted, the insured person would have had a right to have the bonus class CU 3 applied to a family member and if the insured person himself or herself has not caused accidents during the free period, he or she can enter into the class CU 2; in the case of promotional periods of less than one year, the undertakings will



classify the contract taking into account the original bonus class CU 3.

- b. The consumer insured for the first time who does not have the characteristics to take advantage of the benefits of the so-called Bersani Decree, if the certificate does not report claims where the insured person had primary liability, he/she will be placed in class CU 13 on the expiry date of the promotional period rather than in the entrance class CU 14. Vice versa, if there is a claim where the insured person had the primary liability during the free coverage period, the undertakings shall apply the *malus* for the number of claims of the last period, but evaluated starting from the entrance class.

Free insurance policies already expired

3. For the free policies already expired, the undertakings that have offered such policies and covered the risk, during this period, will contact in writing all insured persons in order to issue an ad hoc certificate of claims experience on their name, bearing the original CU bonus class (the one matured before accepting the offer) and indicating the number of claims of the insured person in the last five years, including during the promotional period. In the case the expired policies have covered persons insured for the first time, the certificate will show the CU bonus class to which the same would have been entitled under the so-called the Bersani Decree and shall indicate the number of claims only of the last period. In the cases where the free policy is shorter than one year, the undertaking will issue a substitutive statement. The insured persons must also be informed that with such certificate or statement they can contact the insurer with which they had subsequently concluded the contract to obtain the correction of the bonus class and refund of any higher premiums that have been paid. The undertakings, that after the free coverage period have insured with a Bonus-Malus tariff the insured persons originating from this offer, shall reconstruct the insurance history and shall classify the contract on the basis of the certificate of claims experience released ad hoc and as indicated in paragraphs 1 and 2 by providing, at the same time, the refund of any higher premiums that have been paid.

The undertakings are required to give prompt implementation to these indications and to avoid, for the future, the adoption of commercial initiatives based on the use of technical formulas that

are inconsistent with the need to guarantee a product adequate to the specific needs of the insured persons.

As mentioned in the introduction, the indications concern specifically the offer of free insurance subject of the investigation. The general question of the transition rules of the universal conversion (CU) bonus classes will be subject to review by the specific measures issued by IVASS in implementation of art. 3 of the forthcoming Regulation on the dematerialisation of the certificate of claims experience.

Best regards.

behalf of the Joint Directorate

The President