

## PRESS RELEASE OF 4 SEPTEMBER 2017

### LETTER TO THE MARKET ON THE APPLICATION OF THE NEW EUROPEAN PROVISIONS FOR THE PROTECTION OF THE CONSUMER ON PRODUCT OVERSIGHT AND GOVERNANCE (POG)

IVASS, having concluded the procedure of public consultation, has sent a [letter](#) to the insurance undertakings and insurance intermediaries to stimulate the adoption of a series of preliminary activities necessary for the transposition of the provisions of the EU Insurance Distribution Directive (IDD Directive no. 2016/97) concerning product oversight and governance (POG).

The IDD Directive has introduced a comprehensive legislation of *product governance* of all insurance products, regardless of their insurance class or distribution channel. The overall legislation in that regard will be fully defined on the occasion of the transposition of the directive, currently being discussed by the Parliament.

With the letter to the operators, IVASS proposes to prepare them and raise awareness with respect to a series of new requirements and procedures to be implemented in the imminent future, as a result of the transposition of the Directive scheduled for 23 February 2018.

The indications of the Institute on the POG - transposing the majority of the EIOPA Preparatory Guidelines - require operators to initiate, as of now, preparatory activities of study, analysis and mapping of the business processes to ensure that they in compliance with the safeguards provided by European standards for consumer protection.

The aim is to ensure that the insurance products are always responsive to the needs of the customers for whom they were designed.

The undertakings are being asked to define the *target* customers for whom the products are intended, starting from the conception of the *design* and their launch on the market, and to monitor them systematically to ensure that they continue to respond over time to the interests of the policyholders. The intermediaries are being asked to verify whether or not the current processes are adequate for the information exchange with the undertakings concerning the necessary information on the products and reference markets for which they have been designed, planning any intervention that may be needed for their adjustment.