



Press Release

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EIOPA'S NEW INSURANCE PRODUCT INFORMATION DOCUMENT IS A MAJOR STEP FORWARD FOR CONSUMERS

- *EIOPA proposes a standardised presentation format for the Insurance Product Information Document for all non-life insurance products across the European Union*
- *Clear and concise information makes it easier for consumers to better compare non-life insurance products*
- *The proposed design will empower consumers to take more informed decisions*

Frankfurt, 7 February 2017 - The European Insurance and Occupational Pensions Authority (EIOPA) published today its draft Implementing Technical Standards (ITS) on the Insurance Product Information Document (IPID), as part of EIOPA's work on the detailed rules for the Insurance Distribution Directive (IDD).

The draft ITS will improve the quality and accessibility of the information given to consumers before purchasing non-life insurance products such as motor insurance or home contents insurance.

EIOPA proposes a [standardised presentation format for the IPID](#), which provides consumers across the European Union for the first time with concise, simple, and comparable information about non-life insurance products and by this, be able to take an informed decision when purchasing the insurance product. The proposed design is based on extensive consumer testing and on the input from different stakeholders obtained via public consultation.

The key features of non-life insurance products are presented in a simple and easy to understand Questions & Answers format. The proposed design also takes into account how information will be presented via digital media, for instance by allowing the layout of the information to adjust on the small screen of a mobile device.

Gabriel Bernardino, Chairman of EIOPA, said: *"The Insurance Product Information Document is another major step forward in enhancing the confidence of consumers in insurance products and in strengthening consumer protection. The proposed design provides the key information about an insurance product in a clear, concise and accessible manner. Consumers, who typically might not read lengthy pre-contractual information, will now be empowered to compare different non-life insurance products and to make informed decisions"*.

The [Draft Implementing Technical Standards](#) submitted to the European Commission and the [Final Report](#) with the consolidated feedback can be accessed via EIOPA's Website.

Note for Editors:

The [Insurance Distribution Directive \(IDD\)](#) entered into force on 23 February 2016 and has to be implemented by the European Union Member States by 23 February 2018. The IDD establishes new rules on distribution of insurance products and seeks:

- To improve regulation in the retail insurance market and create more opportunities for cross-border business
- To establish the conditions necessary for fair competition between distributors of insurance products, for example, through an extension of the Directive to direct sales by insurance companies
- To further strengthen consumer protection, in particular with regard to the sale of insurance-based investment products (IBIPs).

Insurance Product Information Document (IPID): Under Article 20 of the Insurance Distribution Directive (IDD), the manufacturer of a non-life insurance product, such as a motor insurance or home contents policy, will be required to draw up a document called the Insurance Product Information Document (IPID) and provide this document to the customer prior to the conclusion of the insurance contract. The IPID will not replace the contractual documentation that is provided with an insurance policy (any customer personalisation will be done via the policy terms and conditions, not by the IPID). There is a clear statement to this effect in EIOPA's standardised template.

The objective of the IPID is to provide relevant information about the product to allow the customer to take an informed decision. The content of the IPID is already determined in the IDD and must contain the following information:

- Information about the type of insurance;
- A summary of the insurance cover, including the main risks insured, the insured sum and, where applicable, the geographical scope and a summary of the excluded risks;
- The means of payment of premiums and the duration of payments
- Main exclusions where claims cannot be made
- Obligations at the start of the contract
- Obligations during the term of the contract
- Obligations in the event that a claim is made
- The term of the contract including the start and end dates of the contract
- The means of terminating the contract

EIOPA proposes a maximum length for the IPID of two A4 pages, or up to three pages where the need for this can be demonstrated.

EIOPA developed the standardised presentation format for the IPID based on extensive consumer testing. This standardised presentation format of the IPID, which is in the form of draft Implementing Technical Standards, is being submitted to the European Commission for endorsement. Once endorsed, the draft ITS will be adopted by the European Commission as an Implementing Regulation, directly applicable in all European Union Member States.

The **European Insurance and Occupational Pensions Authority (EIOPA)** was established on 1 January 2011 as a result of the reforms to the structure of supervision of the financial sector in the European Union.

EIOPA is part of the European System of Financial Supervision consisting of three European Supervisory Authorities, the National Supervisory Authorities and the European Systemic Risk Board. It is an independent advisory body to the European Commission, the European Parliament and the Council of the European Union.

EIOPA's core responsibilities are to support the stability of the financial system, transparency of markets and financial products as well as the protection of insurance policyholders, pension scheme members and beneficiaries.