
Annex 2

Indications on safeguarding on product oversight and governance applicable to the distributors of insurance products who distribute insurance products not made by themselves.

1. Development of the safeguarding on product oversight and governance finalised at obtaining from the manufacturer all the necessary information regarding the insurance products that the distributors intend to offer to the customers

1. Taking into account the principle of proportionality enshrined in the IDD Directive and guidelines, the operating undertakings and intermediaries registered in sections A, B and D of the Single Register of Intermediaries (hereinafter referred to as RUI) that distribute insurance products not made by themselves, should develop safeguarding on product oversight and governance aimed at obtaining from the manufacturer all the information necessary to understand the characteristics of the insurance products that they intend to offer to their customers in order to:
 - ensure that due account is taken of the interests, objectives and characteristics of the customers;
 - prevent and reduce any detriment to the customers;
 - favour adequate management of conflicts of interest.
2. In particular, the measures and procedures adopted should ensure that the distributor may obtain from the manufacturer the appropriate information on the main characteristics of the insurance product that he/she intends to offer the customers, its approval process, the reference market, risks and costs, also implicit, and the distribution strategy, including any circumstances that might cause a conflict of interest to the detriment of the customer as well as any other information useful for identifying customers for whom the product has been designed as well as the groups of customers for which the product is generally not compatible, where relevant, for the protection of the consumer and to pursue the activity of distribution in the best interest of the customer.
3. The measures and procedures adopted should provide for methods of transmission of the acquired information to persons employed in mediation activities enrolled in section E of the RUI or operating within the premises, who use intermediaries registered in sections A, B and D of the RUI.
4. The safeguarding on product oversight and governance and the relevant changes should be approved by the administrative body of the distributor or by the equivalent structure - responsible for their development, implementation, subsequent revision and continuous compliance - taking into account, based on the principle of proportionality, of the complexity of the organisational structure of the distributor itself. The same should also be formalised in a document made available to all the competent staff, including the entire distribution network.
5. In the case in which the distributor adopts his/her own distribution strategy, it should not be contrary to the strategy of distribution and to the reference market identified by the manufacturer.

2. Periodic revision of the safeguarding on product oversight and governance

6. The distributors should establish, in the context of the safeguarding on product oversight and governance, a minimum frequency within which to subject and possibly review the same, in order to ensure that they are always valid and up to date, taking into account the type and complexity of the products.

3. Communication of information on sales to the manufacturer

7. In order to allow the manufacturer to fulfil the obligations set out in Annex 1 concerning "Product monitoring and corrective measures", the distributor should inform the manufacturer, without delay, whenever he/she detects that the product no longer responds to the interests, objectives and the characteristics of the reference market, or when circumstances emerge relative to the product that aggravate the risk of detriment to the customer.
8. To this end, the distributor should provide the manufacturer with all the information that may be significant for the purposes of non-compliance of the product with the requirements of the identified reference market, such as, for example, information relating to complaints received on the products distributed.
9. The distributor also provides the manufacturer, on request, all relevant information to support the review activity that must be carried out by the manufacturer.

4. Documentation

10. Distributors should document all the safeguards adopted on product oversight and governance finalised at bringing about the exchange of information with the manufacturers.
11. The above documentation should be kept, with the procedures laid down by the regulations on conservation of insurance documentation, as long as the contracts relating to the products subject to safeguarding on oversight and governance remain in force in the distributor's portfolio.