
(only the Italian version Prot. N° 0081451/18-14/03/2018 is authentic)

To the insurance undertakings
with head office in Italy
TO THEIR PREMISES

To the Italian branches of
insurance undertakings
pursuing business in Italy
whose head offices are in a non
EEA country
TO THEIR PREMISES

and copy to

AGCM
Piazza Verdi 6/A
00198 Roma RM
ITALIA

Subject: Simplification of insurance contracts - Guidelines of the Technical panel ANIA - CONSUMER ASSOCIATIONS - INTERMEDIARY ASSOCIATIONS for clear and simple contracts.

The handling of policyholders' complaints by IVASS has highlighted that a frequent reason for consumer dissatisfaction stems from the fact that contract terms are not always clear and unambiguous, especially as regards guarantees (i.e. what is covered by the insurance) and exclusions (i.e. what is not covered). Repetitions and redundancies and a language not always easy to understand make it difficult for the policyholder to understand the product and may be a source of conflict in case of claim.

Given the above, in October 2016 IVASS, in collaboration with Consumer associations, drew the attention of insurance undertakings to the need for a simplification in the wording of the policies, urging the insurance industry to discuss with consumers and insurance

intermediaries points of convergence for the simplification of contracts and propose possible solutions.

In response to this request, ANIA has taken on the coordination of a Technical panel, which was attended by the main Consumer associations and Intermediary associations, and which in February presented a joint final document, containing guidelines on contract structure and language.

The document (encl.1) was presented to IVASS on 6 February 2018, in the presence of all the participants to the Technical panel and AGCM, and was sent out by ANIA to all the undertakings on 6 March.

The guidelines define a new standard contract structure, clearer and more straightforward (for example by eliminating the old distinction between policy “general” and “special conditions”, which was the cause of many misunderstandings) and are focused on the clarity of the language with the purpose of facilitating the reading and understanding of the contract and making it easier for policyholders to exercise the rights arising from such contract.

IVASS, acknowledging the results attained by the Technical panel, considers it important for insurance companies to comply with the above guidelines as soon as possible and ensure their progressive implementation, by drafting and revising the contracts within a timescale that takes account of the criteria of proportionality and significance and ensures that:

- for newly-marketed insurance products, the guidelines are implemented no later than 1 January 2019;
- for the most common products on the market, the review is completed in accordance with the guidelines by the end of 2019.

Undertakings are also required to:

- show on the cover of the products revised that the latter have been drawn up in accordance with the guidelines of the Technical panel;

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- inform IVASS, by sending an email to semplificazione.contratti@ivass.it of the products that have been revised in accordance with these guidelines, also for the purpose of allowing IVASS to provide information on its website. Communications shall be sent from 1 January 2019 and afterwards every 3 months until the completion of the contract revision; communications shall be sent also if the revision has been done before 1 January 2019.

We seize the occasion of the contract review to stress the importance, for non-life products other than motor liability insurance, of indicating a deadline by which undertakings commit themselves to paying compensation to the policyholder. This deadline shall be established in line with the nature of the risk and the complexity of the checks necessary for the settlement of the claim.

Best regards.

by delegation of the
Joint Directorate