



Istituto per la Vigilanza sulle Assicurazioni Private e di Interesse Collettivo

## **REGULATION NO. 23 OF 9 MAY 2008**

**REGULATION LAYING DOWN RULES GOVERNING PREMIUM AND CONTRACT TERMS DISCLOSURE IN COMPULSORY INSURANCE FOR MOTOR VEHICLES AND CRAFT, AS REFERRED TO IN ARTICLE 131 OF LEGISLATIVE DECREE NO. 209 OF 7 SEPTEMBER 2005 - CODE OF PRIVATE INSURANCE.**

*AS AMENDED AND SUPPLEMENTED BY IVASS ORDERS NO. 76 OF 2 AUGUST 2018 AND NO. 97 OF 4 AUGUST 2020. THE AMENDMENTS AND INTEGRATIONS ARE SHOWN IN ITALICS.*

ISVAP

Istituto per la vigilanza sulle assicurazioni private e di interesse collettivo  
(Institute for the Supervision of Insurance)

HAVING REGARD to law no. 576 of 12 August 1982 as subsequently amended and supplemented, on the reform of insurance supervision;

HAVING REGARD to legislative decree no. 209 of 7 September 2005, as subsequently amended and supplemented, introducing the Code of Private Insurance;

HAVING REGARD to decree-law no. 223 of 4 July 2006, converted, after amendment, into law no. 248 of 4 August 2006, on urgent measures to promote economic and social recovery and contain and rationalise public spending, on revenue collection measures and measures to prevent tax evasion;

HAVING REGARD to ISVAP Regulation no. 5 of 16 October 2006 laying down provisions on insurance and reinsurance mediation as referred to under Title IX (insurance and reinsurance Intermediaries) and article 183 (Rules of conduct) of legislative decree no. 209 of 7 September 2005 – Code of Private Insurance;

TAKING INTO ACCOUNT the opinion given by the Antitrust Authority on 30 November 2007, as per article 22 of law no. 287 of 10 October 1990;

GIVEN the necessity to lay down rules on the requirements imposed on undertakings and intermediaries envisaged in article 131 of the Code of Private Insurance as supplemented by article 8 of the above-mentioned law no. 248 of 4 August 2006;

adopts the following:

### **REGULATION**

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## **CHAPTER I General Provisions**

### **Art. 1 (Legislative sources)**

1. This Regulation is adopted pursuant to Article 131 of Legislative Decree no. 209 of 7 September 2005.

### **Art. 2 (Definitions)**

1. For the purpose of this Regulation, the following definitions shall apply:
  - a) "compulsory insurance against civil liability in respect of the use of motor vehicles and craft" shall mean: compulsory insurance covering civil liability in respect of the use of motor vehicles for the risks classified in class 10, other than carrier's liability, and for the risks classified in class 12 referred to in article 2 (3) of legislative decree no. 209 of 7 September 2005;
  - b) "policyholder" shall mean: the natural or legal person who underwrites a compulsory insurance contract against civil liability in respect of the use of motor vehicles and craft;
  - c) "decree" shall mean: legislative decree no. 209 of 7 September 2005, introducing the Code of private insurance;
  - d) "insurance undertakings authorised in Italy" shall mean: insurance undertakings having their head office in Italy or the branches in Italy of insurance undertakings having their head offices in a third State;
  - e) "*intermediaries*" shall mean: *the natural or legal persons registered in the register of insurance, reinsurance and ancillary insurance intermediaries referred to in article 109 of legislative decree no. 209 of 7 September 2005<sup>1</sup>;*
  - f) "*intermediary working in direct relationship with the undertaking*" shall mean: *the intermediary registered under sections A, B, D or F of the Register of insurance, reinsurance and ancillary insurance intermediaries as referred to in article 109 of legislative decree no. 209 of 7 September 2005, who, on the grounds of mandates or agreements underwritten with the insurance undertakings, receives from them commissions for the activity pursued<sup>2</sup>;*

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<sup>1</sup> Letter replaced by IVASS Order no. 76 of 02 August 2018.

<sup>2</sup> Letter replaced by IVASS Order no. 76 of 02 August 2018.

- g) "sales points" shall mean: the offices or premises of the intermediary or of the undertaking, which are accessible to or used for receiving the public and in which it is possible to underwrite the insurance contract.

Art. 3  
(Scope)

1. This Regulation applies to insurance undertakings authorized in Italy to pursue compulsory insurance against civil liability in respect of the use of motor vehicles and craft and to insurance undertakings having their head office in another EEA State licensed to pursue business in Italy in class 10 (other than carrier's liability) and in class 12 by way of establishment or of free provision of services, without prejudice to article 132 (2) of the decree.

**CHAPTER II**  
**Disclosure and information requirements**

**Section I - Obligations on undertakings**

Art. 4  
(Obligations on undertakings to provide information)

1. To guarantee disclosure and competition in the supply of insurance products relating to compulsory insurance against civil liability in respect of the use of motor vehicles and craft as well as to guarantee an adequate level of information on contractual terms and premiums applied for the benefit of those required to comply with the insurance obligation, undertakings shall make available to the public at any sales point and on the internet:
- a) the pre-contractual documents envisaged by current provisions;
  - b) general and special policy conditions;
  - c) free service of customised estimate.

Art. 5  
(Free customised estimates at sales points)

1. Undertakings shall provide a free service of customised estimate as envisaged by article 4 (c) to anyone requesting it for the various types of vehicles or craft subject to compulsory insurance, for each risk arising from the use of motor vehicles and craft.
2. When installing the service, undertakings shall take account of all the customisation elements envisaged by the premium rate. The estimate released shall show the customisation elements relating to the applicant, which are used by the undertaking for premium calculation, including the answers provided by the applicant himself.
3. The estimate shall show:
- a) the overall premium required for the cover;

*a-bis) whether the insurance undertakings having their head office in another EEA State licensed to pursue business in Italy by way of establishment or of free provision of services, have joined the direct compensation system referred to in articles 149 and 150 of the Code and of Presidential Decree no. 254 of 18 July 2006; it must be specified that if the undertaking has not joined the system the policyholders may not apply for compensation to their own insurance undertaking but they must necessarily contact the insurance undertaking of the party responsible for the accident<sup>3</sup>;*

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<sup>3</sup> Letter added by article 1 of IVASS Order no. 97 of 4 August 2020.

- b) the amount of the commission paid by the undertaking to the intermediary directly operating for such undertaking, in relation to the type of contract chosen and to the category of vehicles and craft concerned; the commission shall be expressed as an absolute value; moreover, for purposes of comparability, the amount of the commission shall be expressed as a percentage of the overall premium. Undertakings shall specify, in a footnote, that the percentage has been calculated by relating the absolute value of the commission to the overall premium;
- c) the total discount applied by the undertaking and by the intermediary.

Clauses providing for exclusion and recourse, if any, shall be displayed in bold.

4. Any estimate shall show a code, assigned on the basis of procedures pre-established by the undertaking, which allows it to be identified in an unambiguous manner in case of conclusion of the relevant contract.
5. *The customised estimate is valid for sixty days from the date it is issued by the company. The undertaking shall apply the premium rate in force on the effective date of the insurance cover for which the estimate is requested. The undertaking shall also issue the estimate when the effective date of the insurance cover is later than the sixty-day validity period. In this case, the estimate issued can only be considered as a risk quotation for information purposes and shall not oblige the undertaking to conclude the contract on the terms and conditions set out therein. The undertaking shall not issue the estimate when the effective date of the insurance cover exceeds a maximum period of one year from the request for an estimate<sup>4</sup>.*

## Art. 6 (Free customised estimates online)

1. The provisions of article 5 shall apply to the free customised estimate that can be obtained on undertakings' websites, subject to the following specifications:
  - a) when undertakings pursue business through intermediaries, the estimate that can be obtained online shall show the maximum amount of the commission paid by the undertaking, in relation to the type of contract chosen and to the category of vehicles and craft concerned; the commission shall be expressed as an absolute value; moreover, for purposes of comparability, the amount of the commission shall be expressed as a percentage of the overall premium. Undertakings shall specify, in a footnote, that the percentage has been calculated by relating the absolute value of the commission to the overall premium and shall insert the warning that the commission paid to the intermediary may be lower;
  - b) when undertakings pursue business by means of distance communication techniques or through intermediaries, the estimate that can be obtained online shall warn about the possibility to get discounts by applying directly to the head office or to the intermediary.

2. The web site shall at least have the following characteristics and operating functions:

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<sup>4</sup> Paragraph amended by article 19, paragraph 1, letter a) of IVASS Regulation no. 51 of 21 June 2022. The previous version of paragraph 5) laid down: "The customised estimate shall have a validity of not less than sixty days and anyhow no longer than the duration of the current premium rate. When the premium rate, based on which the estimate is calculated, has a residual validity of less than sixty days and the customer asks for an estimate relating to a cover with effective date falling when the new premium rate is applicable, the undertaking shall issue such estimate calculated on the basis of the new premium rate".

- a) the home page shall show - in a visible manner - the link to the section dedicated to obtaining the estimate;
  - b) the section dedicated to obtaining the estimate shall mention that the estimate has been calculated in compliance with the provisions of article 131 of the decree. Moreover the *link* to the general and special policy conditions as well as *to the pre-contractual information documents referred to in article 185 of the Code*, which must be readable, printable and downloadable before accessing the estimate service, shall be clearly visible;<sup>5</sup>
  - c) if contract clauses provide for specific arrangements for claim compensation, there shall be a link to the updated list of car repairers to contact in case of claim in order to obtain direct vehicle repair.
3. The system shall guarantee the continuous update of the information required for the estimate and efficiency levels in the response times for *on line* queries.  
It is envisaged that complaints about possible anomalies in the procedure for calculating the estimate may be sent on line.

Art. 7  
(Premium rate flexibility)

1. After taking the overall need for premiums into account, undertakings may use flexibility as a tool for premium reduction against the current premium rate in order to further customise the risk in relation to the characteristics of each insured.
2. In the case referred to in paragraph 1, undertakings pursuing business through intermediaries, shall indicate to them the total discount rate applicable to customers in a specific period of time. When providing the indications, undertakings shall not establish limits to the discount rates applicable to the single insured, as compared to the current premium rate.
3. Undertakings shall keep the documents of the instructions given to their distribution networks.

Art. 8  
(Further information contained in the policy)

1. Policies and renewal receipts relating to compulsory insurance against civil liability in respect of the use of motor vehicles and craft shall show:
  - the overall premium paid for the cover;
  - the commission paid by the undertaking to the intermediary directly operating for such undertaking; the commission shall be expressed as an absolute value and as a percentage of the overall premium;
  - any discount applied.

**Section II – Obligations on intermediaries**

Art. 9  
*Obligations on intermediaries to provide information*

1. Intermediaries shall make available to the public information on the undertakings whose products they market and on the level of commissions they receive. Information on the level of commissions shall also regard any differences in relation to the categories of vehicles and craft insured and the various types of contracts.

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<sup>5</sup> Letter amended by IVASS Order no. 76 of 2 August 2018.

2. If the intermediary, who gets in contact with the client, carries on business on behalf of another intermediary working in direct relationship with the undertaking, the information referred to in paragraph 1 shall regard the level of commissions received by the latter.
3. The information referred to in paragraph 1, drawn up in a clear way by using adequate characters and a structure allowing immediate comparability of the level of commissions received by intermediaries, shall be given:
  - a) by posting it or showing it by means of other adequate visualisation tools, on the intermediary's premises, so that it is clearly visible to the public;
  - b) by adequately highlighting it in the intermediary's website, if any, *or in its social network profile*<sup>6</sup>.
4. Before underwriting the contract the intermediary shall submit the policyholder a document containing the information referred to in paragraph 1, drawn up in compliance with paragraphs 2 and 3. The delivery of the document must be attested by a statement drawn up by using characters of an adequate size and typeface, to be signed by the policyholder and a copy of which shall be kept by the intermediary. In case of mediation pursued by means of distance communication techniques, intermediaries shall comply with the provisions referred to in *article 73 (3) of IVASS Regulation no. 40 of 2 August 2018*<sup>7</sup>.
5. For the purposes referred to in paragraph 4 the intermediary shall use *Annex 4 to IVASS Regulation no. 40 of 2 August 2018*<sup>8</sup>.

### **CHAPTER III**

#### **Final provisions**

##### Art. 10 (Organisational arrangements)

1. Undertakings and intermediaries shall take the necessary technical and organisational measures to implement this Regulation.

##### Art. 11 (Repeals)

1. As from the date of entry into force of this Regulation, ISVAP circular no. 502 of 25 March 2003 is repealed.

##### Art. 12 (Publication)

1. This Regulation shall be published in the Official Journal of the Italian Republic, in the Bulletin and on the ISVAP website.

##### Art. 13 (Entry into force)

1. This Regulation shall enter into force on 1 October 2008.

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<sup>6</sup> Letter amended by IVASS Order no. 76 of 2 August 2018.

<sup>7</sup> Paragraph amended by IVASS Order no. 76 of 2 August 2018.

<sup>8</sup> Paragraph amended by IVASS Order no. 76 of 2 August 2018.