



Istituto per la Vigilanza sulle Assicurazioni Private e di Interesse Collettivo

(only the Italian version is authentic)

REGULATION N. 40 OF 3 MAY 2012

REGULATION CONCERNING THE DEFINITION OF THE MINIMUM CONTENTS OF THE LIFE ASSURANCE CONTRACT REFERRED TO UNDER ARTICLE 28 (1) OF DECREE-LAW N. 1 OF 24 JANUARY 2012, CONVERTED INTO LAW N. 27 OF 24 MARCH 2012.

ISTITUTO PER LA VIGILANZA SULLE ASSICURAZIONI PRIVATE E DI INTERESSE COLLETTIVO (the Supervisory Authority for Private Insurance Undertakings and Insurance Undertakings of Public Interest);

HAVING REGARD to law n. 576 of 12 August 1982 as subsequently amended and supplemented, on the reform of insurance supervision;

HAVING REGARD to legislative decree n. 209 of 7 September 2005 as subsequently amended and supplemented, introducing the Code of Private Insurance, and in particular to article 5 (2), according to which ISVAP shall adopt any regulation necessary for the fairness of behaviour of the supervised entities, and article 183, on the rules of behaviour of insurance undertakings and intermediaries;

HAVING REGARD to ISVAP Regulation n. 5 of 16 October 2006 as subsequently amended and supplemented, laying down provisions on insurance and reinsurance mediation;

HAVING REGARD to ISVAP Regulation n. 35 of 26 May 2010, laying down provisions on the information obligations and the advertising of insurance products as referred to in Title XIII of legislative decree n. 209 of 7 September 2005;

HAVING REGARD to article 28 (1) of decree-law n. 1 of 24 January 2012, converted into law n. 27 of 24 March 2012, according to which – without prejudice to the provisions of article 183 of the Insurance Code and to the relevant implementing rules issued by ISVAP on the conflict of interests of insurance intermediaries – where banks, credit institutions and financial intermediaries make the granting of a real estate loan or of consumer credit conditional on the conclusion of a life assurance contract, they shall be required to submit to the customer at least two estimates from two different insurance groups not related to them; however, the customer shall be free to choose the most favourable life assurance policy on the market that the bank shall be obliged to accept without changing the conditions offered for the granting of the real estate loan or consumer credit;

HAVING REGARD to article 28 (2) of said decree-law, according to which ISVAP shall define the minimum contents of the insurance contract referred to under article 28 (1) within 30 days of entry into force of the law converting the decree;

HAVING CONSIDERED the necessity to also set the terms and procedures relating to the submission of the estimates envisaged by article 28 (1) of said decree-law, in order to make offers easily comparable and allow the customer an easier market research of the most advantageous life policy;

ADOPTS

the following Regulation:

Art. 1

(Minimum contents of the life assurance contract)

1. The life assurance contract referred to under article 28 (1) of decree-law n. 1 of 24 January 2012, converted into law n. 27 of 24 March 2012, shall comply with the following minimum contents:
 - a) form of insurance: temporary assurance on death only, with decreasing capital in those cases where the repayment of the real estate loan or consumer credit follows an amortisation plan, or with constant capital in those cases where the repayment of the consumer credit does not follow a predefined amortisation plan;
 - b) insurance benefits: payment upon the occurrence of the death of the insured before contract maturity, of a sum insured equal to or in line with the outstanding balance of the real estate loan or consumer credit. Possibility for the undertaking to pay any real estate loan or consumer credit repayment falling due between the notification of the death of the insured to the undertaking and the payment of the sum insured, with subsequent adjustment of the sum insured at the time of payment;
 - c) limitations of the benefit: cover against the risk of death regardless of the cause, without territorial limits. Exclusion from guarantee of death only if caused by wilful misconduct of the policyholder, insured or beneficiaries and, unless otherwise agreed, death by suicide occurred in the first two years from the entry into force of the insurance contract, or of death due to catastrophe risks;
 - d) duration of the contract: equal to the duration of the real estate loan or consumer credit;
 - e) frequency of premium payments: payment of a single premium in advance or of an annual premium, with the possibility of division into instalments and indication of the related costs;
 - f) costs included in the premium: indication of the amount of costs that shall be borne by the customer during the term of the contract, highlighting the amount received by the intermediary;
 - g) procedures for verifying the state of health of the customer: indication of the cases in which a medical examination is required, with the related costs borne by the undertaking and / or customer, and of the cases in which the state of health can be assessed by filling in the anamnestic questionnaire;
 - h) "waiting" period: exclusion of the waiting period in case of medical examination; in the other cases, no more than 90 days waiting period from the date when the insurance cover takes effect. Full payment of the benefit during the waiting period in case of death due to accident, acute infectious disease or anaphylactic shock;
 - i) beneficiaries or lien-holders: the beneficiaries or lien-holders indicated by the customer. The bank or financial intermediary may be designated as beneficiaries or lien-holders of the insurance benefits only if the insurance contract is not mediated by the bank or financial intermediary itself or by

persons linked to them by group relations or by own business or group companies relations;

- j) how to report the death: indication of how to report the death of the insured and of the documents to be delivered to the undertaking for the payment of the capital;
 - k) settlement times of the sum insured: indication of the timescale, with a maximum of 30 days of receiving the complete documentation;
 - l) early repayment of the real estate loan or consumer credit: in case of payment of a single premium, indication of the obligation for the undertaking, within 30 days of being notified that the real estate loan or consumer credit has been repaid early, to return to the customer that part of premium paid relating to the remaining period with respect to the original expiry of the policy, as laid down by ISVAP Regulation n. 35/2010. At the customer's request the policy may continue until contractual maturity also in favour of a new beneficiary, if designated;
 - m) transfer of the real estate loan: in case of payment of a single premium, indication of the duty for the undertaking, within 30 days of being notified that the real estate loan has been transferred, to return to the customer that part of premium paid relating to the remaining period with respect to the original expiry of the policy, as laid down by ISVAP Regulation n. 35/2010. At the customer's request the policy may continue until contractual maturity also in favour of a new beneficiary, if designated;
 - n) right of withdrawal: indication that the customer may withdraw from the insurance contract within not less than 30 days from the date on which the contract is concluded, with the right to the reimbursement of the premium paid, net of the part concerning the period for which the contract was in force and of the costs incurred for issuing the contract;
 - o) communications to the customer during the term of the contract: indication of the obligation for the undertaking to send to the customer, within sixty days after the close of each calendar year or any annual contract renewal, a communication containing information on the amount of the sum insured and any premiums due or in arrears, with a warning on the effects arising from non-payment, and the name of the beneficiary / beneficiaries or of the lien-holder / lien-holders.
2. The minimum contents referred to in paragraph 1 shall represent the basic contract offer and be instrumental to the comparison between the various estimates submitted to the customer. Insurance conditions that are more favourable to the customer may be agreed between parties.

Art. 2 (Customer disclosure)

1. Where banks and financial intermediaries make the granting of a real estate loan or of consumer credit conditional on the conclusion of a life assurance contract they shall disclose to the customer – at the opening of negotiations for the granting of the real estate loan or consumer credit – written information on the minimum contents of the life assurance contract referred to in article 1, informing him / her that he / she can search on the market, within a period of not less than 10 days from the delivery of the estimate referred to in paragraph 2, a life assurance contract that meets any such contents, or envisages conditions of greater favour to the customer, and that such contract will be

accepted by the bank or financial intermediary without changing the conditions offered for the granting of the real estate loan or consumer credit.

2. The estimates relating to the life assurance contract that banks, financial intermediaries and other insurance intermediaries are required to submit to the customer shall be prepared in accordance with the fac-simile in annex 1 to this Regulation.

Art. 3

(Online estimates and information)

1. The insurance companies that market the life assurance products referred to under this Regulation shall provide on their websites a free service for the release of customised estimates based on the parameters set out in annex 1.
2. Insurance undertakings shall notify ISVAP, as soon as the life product is marketed, the trade name of the product according to the instructions set out in annex 2.
3. The list of insurance undertakings marketing the products shall be published on ISVAP's website with the indication of the products' trade name.

Art. 4

(Publication)

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

Art. 5

(Entry into force)

1. This Regulation shall enter into force on 1 July 2012.
2. Undertakings shall comply with the provisions stated under article 3 (1) by 1 September 2012.
- 3.

the President
(Giancarlo Giannini)