



International Conference  
**Toward a *Consumer Centric* Insurance**

**SESSION 03: IBIPs VALUE FOR MONEY**

**IVASS' Expectations on POG**

**Rome, 15<sup>th</sup> December 2023**  
Venue: Centro Convegni Azeglio Ciampi

Since 2020, IVASS has carried out on site and off site supervisory activities on POG processes implemented by insurers → many improvements achieved over time but still some shortcomings to be addressed.

On 6<sup>th</sup> October IVASS launched a public consultation on:

- how IVASS expects insurers to implement some features of the POG process, with the aim of enhancing **a sound, robust and consistent deployment of the process** by insurers throughout the market, to the benefit of policyholders. Such expectations are in line with EIOPA *Value-for-Money* (VfM) methodology
- how IVASS applies EIOPA VfM methodology **in its own supervisory activity**, for the sake of transparency and accountability

- ❑ POG process is **fully integrated into the insurer's corporate governance**, risk management and internal control systems
- ❑ Definition of the **target market** entails adequate granularity and is based on realistic data
- ❑ **Product testing:**
  - developed consistently with the defined target market
  - predominantly quantitative analysis
  - **customer-side profit test**, whose result would be in line with the characteristics of the target market, the customer's net return expectations and needs →

□ **Product testing:**

- in line with EIOPA methodology on the Value for Money, quantitative analysis as carried out by insurers should include **some indicators....**
- ...and identify relevant **thresholds** thereof

➔ IVASS to use the same indicators envisaged in EIOPA VfM Methodology for its own activity