

February 2018

# INSURE

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# InSure

This month's roundup of developments affecting the insurance industry sees news on the FCA's policy statement on its third IDD consultation, the PRA consulting on insurance reporting requirements changes and EIOPA publishing a report on the application of group supervision under Solvency II.

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# General Update

## FCA statement on PRIIPs KID

A [statement](#) has been published by the FCA regarding concerns about performance scenarios appearing too optimistic in the PRIIPs Key Information Document, a standardised document that must accompany packaged retail and insurance-based investment products.

*FCA, 24 January 2018*

## PRA consults on insurance reporting requirements changes

The PRA has published a [consultation paper](#) (CP2/18) setting out changes to its insurance reporting requirements, intended to reduce the burden on firms that fall within the scope of the Solvency II Directive (2009/138/EC). The PRA has [confirmed](#) that this consultation is the last in a series of consultation papers relating to the reform of the insurance prudential framework following the implementation of Solvency II.

*PRA, 11 January 2018*

## IAIS seeks views on trends and developments for its 5-year plan

The International Association of Insurance Supervisors (IAIS) is seeking stakeholder input as it begins to develop its next [five-year plan](#). The current plan will conclude in 2019. The IAIS is seeking views on macro trends and developments that may affect the IAIS over the next five to seven years. It is also seeking views on what strategic objectives it should pursue in light of these trends and developments. Feedback is sought by 20 February 2018.

*IAIS, 2 January 2017*

# Insurance Distribution Directive

## FCA policy statement on third consultation on IDD implementation

The FCA's [third policy statement](#) on implementing the Insurance Distribution Directive (IDD) has been published, which covers a number of matters including the FCA's approach to the IDD delegated acts for product governance and additional requirements for insurance-based investment products (IBIPs), regulatory processes and areas dependent on HM Treasury's consultation on changes to UK legislation to transpose the IDD. In addition, the policy statement covers feedback on certain matters deferred from CP17/23. Appendix 1 of the policy statement provides the full set of the near-final rules for all of the FCA's consultation papers on implementation of the IDD. This includes some minor changes to the near-final rules from the first two policy statements.

*FCA, 19 January 2017*

## HM Treasury response to consultation on transposing IDD

HM Treasury has [published](#) its response to its February 2017 consultation on transposing the Insurance Distribution Directive (2016/97/EU) (IDD). In the response, HM Treasury confirms that the government has maintained its core position on all of the covered policy areas. A revised draft of the Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 has also been [published](#). A related [webpage](#) explains that the Order will be laid before parliament in "due course" and come into force on 23 February 2018.

*HM Treasury, 15 January 2018*

## European Parliament's Committee on Economic and Monetary Affairs supports delay to application of IDD

A [letter](#) (dated 9 January 2018) has been published by The European Parliament's Committee on Economic and Monetary Affairs. The letter was sent to the Chair of the Council of the EU's Permanent Representatives Committee supporting the legislative proposal to postpone the application date of the Insurance Distribution Directive to 1 October 2018.

*European Parliament, 16 January 2018*

## European Parliament to consider proposed Directive delaying IDD application date at 28 February to 1 March 2018 plenary session

The [procedure file](#) indicates that the Parliament will debate and vote on the proposed Directive at its plenary session to be held from 28 February to 1 March 2018. Currently, member states have until 23 February 2018 to transpose and apply the IDD (as referred to in Article 42 of the IDD). However, following a request from the Parliament, the Commission decided to extend the IDD application date to 1 October 2018 to give the sector more time to prepare. The 23 February 2018 transposition date is not being amended.

*European Parliament, 12 January 2018*

## Solvency II

### EIOPA report on application of group supervision under Solvency II

EIOPA published its [report](#) (dated 22 December 2017) to the European Commission under Article 242(1) of the Solvency II Directive (2009/138/EC) (Solvency II) on the application of group supervision under Solvency II (EIOPA 17-648).

This follows a request from the Commission for a report on the application of Title III (Supervision of insurance and reinsurance undertakings in a group) of Solvency II. The Commission asked EIOPA to consider 29 issues, which are listed in the annex to the report. The request clarified that EIOPA was not invited to formulate proposals for amendment of Solvency II.

*EIOPA, 25 January 2018*

### HM Treasury response and PRA interim response to Treasury Committee's report on Solvency II

Material has been published relating to The House of Commons Treasury Committee's October 2017 report on the findings from an inquiry into the Solvency II Directive (2009/138/EC) and its impact on the UK insurance market. The body published HM Treasury's [response to the report](#), as well as an [interim response](#) from the PRA.

*House of Commons Treasury Committee, 16 January 2018*

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