

October 2017

# INSURE

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# InSure

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## General Update

### European Commission releases report on consumers' decision-making in insurance services

The European Commission published a [report](#) (dated May 2017) prepared by London Economics, Ipsos and VVA Europe that contains a study on consumers' decision-making in insurance services. The study focused on the sale of home insurance, motor insurance, car rental insurance and insurance products sold as an add-on.

*European Commission, 27 October 2017*

### EIOPA Risk Dashboard - Second Quarter 2017

The European Insurance and Occupational Pensions Authority (EIOPA) has [published](#) an updated Risk Dashboard based on the second quarter 2017 data finding that the risk exposure of the insurance sector in the European Union remains overall stable with some slight improvements in the solvency ratios of groups and life solo undertakings.

*EIOPA, 26 October 2017*

### IAIS tables showing status of ICPs and ComFrame development

The IAIS has [published](#) tables showing the status of its insurance core principles (ICPs) and the development of its ComFrame materials. It has published the following tables:

- ▶ A [table](#) showing the status of the 26 insurance core principles (ICPs), including ongoing or planned revisions; and
- ▶ A [table](#) showing the status of the development of the ComFrame material.

The IAIS plans to update the tables at least once every quarter.

*IAIS, 23 October 2017*

### FCA reports on implementation of insurance renewal transparency rules

The FCA has published [information](#) in relation to how general insurance firms have implemented transparency in insurance renewals which came into effect in April 2017. The FCA highlighted a range of concerns, including where firms have failed to provide correct premium information and failed to present information about premiums clearly. The FCA has suggested that firms review their processes to ensure they are compliant.

*FCA, 18 October 2017*

### IADI Discussion Paper: Sharia governance for Islamic deposit insurance systems

The International Association of Deposit Insurers (IADI) has published a [discussion paper](#) on Sharia governance for Islamic deposit insurance systems (IDIS).

*IADI, October 2017*

### IADI consultation paper on resolution issues for financial co-operatives

The International Association of Deposit Insurers (IADI) has published a [consultation](#) paper on resolution issues for financial co-operatives. The consultation paper provides an overview of distinctive features and current resolution tools. Comments are required by 17 November 2017.

*IADI, 17 October 2017*

### European Commission request to ESAs to report on cost and past performance of main categories of retail investment, insurance and pension products

The European Commission [published](#) a request (dated 13 October 2017) to the European Supervisory Authorities (ESAs) (the EBA, EIOPA and ESMA) to issue recurrent reports on the cost and past performance of the main categories of retail investment, insurance and pension products.

*European Commission, 17 October 2017*

## HM Treasury publishes draft regulations implementing new framework for insurance linked securities

HM Treasury has published updated drafts of the following regulations which implement a new regulatory and tax framework for insurance linked securities (ILS):

- ▶ The Risk Transformation [Regulations](#) 2017.
- ▶ The Risk Transformation (Tax) [Regulations](#) 2017.

*HM Treasury, 12 October 2017*

## EIOPA speech highlighting future challenges and opportunities

The EIOPA has [published](#) a speech by EIOPA Chair, Gabriel Bernardino, given to the European Parliament's Economic and Monetary Affairs Committee (ECON). Mr Bernardino sets out his views on the future challenges and opportunities facing EIOPA and explains how it can address them. The EIOPA has also published a report summarising its main achievements between October 2016 and September 2017.

*EIOPA, 10 October 2017*

## Insurance Europe and EFAMA revise templates for PRIIPs information exchange

The European Fund and Asset Management Association (EFAMA) has [published](#) revised versions of two templates (the [European PRIIPs template](#) and the ["Comfort" EPT template](#)). The aim of the templates is to facilitate the exchange of information between insurers and asset managers, which is required under the Regulation on key information documents (or KIDs) for packaged retail and insurance-based investment products (PRIIPs), in relation to multi-option products.

*Insurance Europe, 6 October 2017*

## Insurance Europe template for data breach notifications under GDPR

Insurance Europe published a [template](#) for data breach notifications under the General Data Protection Regulation (GDPR). On a new [cyber insurance webpage](#), Insurance Europe explains that the template is easy to use and allows information to be compared across sectors. The data gathered will be anonymised, but would be detailed enough to be of use to insurers. Insurance Europe would like the Article 29 Working Party to use the template as "inspiration" for its work on guidelines for data breach notification templates.

*Insurance Europe, 6 October 2017*

## FOS feedback statement to consultation on amending voluntary jurisdiction rules to reflect FCA final rules and guidance on PPI complaints

The Financial Ombudsman Service (FOS) has published a [feedback statement](#) regarding its June 2017 consultation on proposed amendments to its voluntary jurisdiction (VJ) rules to reflect the FCA's final rules and guidance on payment protection insurance (PPI) complaints. The FOS received two responses supporting the FOS' proposals to:

- ▶ amend the VJ to reflect the FCA's changes to the FOS' compulsory jurisdiction about PPI complaint time limits; and
- ▶ using the FCA's guidance on the application of DISP 2.8.2R(2) for complaints about PPI contracts.

*FOS, 4 October 2017*

# Insurance Distribution Directive

## European Parliament decides raises no objections to IDD Delegated Regulations

The European Parliament published the texts adopted in plenary on 25 October 2017 of decisions relating to Commission Delegated Regulations made under the Insurance Distribution Directive ((EU) 2016/97) (IDD). These were:

- ▶ Decision to raise no objections to Delegated Regulation supplementing the IDD with regard to product [oversight and governance](#) (POG) requirements for insurance undertakings and insurance distributors.

- ▶ Decision to raise no objections to Delegated Regulation supplementing the IDD with regard to [information requirements](#) and conduct of business rules applicable to the distribution of insurance-based investment products.

*European Parliament, 27 October 2017*

## ECON calls on European Commission to postpone application date of IDD to 1 October 2018

The European Parliament's Economic and Monetary Affairs Committee's (ECON) has voted to adopt [recommendations](#) calling on the European Commission to extend the application date for measures implementing the Insurance Distribution Directive ((EU) 2016/97) (IDD) by 7 months, to 1 October 2018. This was supported by at least 10 member states.

*ECON, 17 October 2017*

## EIOPA final guidelines on complex insurance-based investment products under IDD

EIOPA has published its [final guidelines](#) on complex insurance-based investment products under the Insurance Distribution Directive ((EU) 2016/97) (IDD). An accompanying [press release](#) states that, according to the disclosure rules for packaged retail and insurance-based investment products (PRIIPs), where the associated risks of an IBIP are difficult to understand for customers, a comprehension alert has to be included in the key information document (KID) provided to the customer.

*EIOPA, 11 October 2017*

## SRA consults on implementing the IDD

The Solicitors Regulation Authority (SRA) has [published](#) a consultation paper on implementing the Insurance Distribution Directive (IDD). This consultation is relevant for SRA authorised firms that carry on insurance distribution activities (currently called insurance mediation activities). The consultation closes on 20 November 2017.

*SRA, 24 October 2017*

## Solvency II

### PRA consults on Solvency II matching adjustment

The PRA has [published](#) a consultation paper (CP21/17) on the application of the matching adjustment under the Solvency II Directive. This matching adjustment allows firms to adjust their risk-free interest rate term structure for the calculation of a best estimate of a portfolio of eligible insurance obligations. The consultation paper has been developed by the PRA as part of its work on adjustments to the insurance prudential framework. The Consultation closes for comments on the 31 January 2018.

*BoE, 29 October 2017*

### Report on key themes from PRA roundtables on solvency and financial condition reports under Solvency II

The PRA has published a [report](#) on three solvency and financial condition report roundtables it held in September 2017, which were chaired by David Rule, PRA Executive Director of Insurance Supervision.

*PRA, 18 October 2017*

### PRA policy statement on half-yearly reporting of market risk sensitivities for Solvency II firms

The PRA has published a [policy statement](#) on the data collection of market risk sensitivities under the Solvency II Directive, which sets out the final version of a supervisory statement (SS7/17). Alongside this a [template](#) for the data collection of market risk sensitivities has also been published, which it expects firms to use to submit data, together with [instructions](#).

*PRA, 18 October 2017*

### Corrigendum to Delegated Regulation amending Solvency II Delegated Regulation published

A [corrigendum](#) to Commission Delegated Regulation amending the Solvency II Delegated Regulation around calculating regulatory capital requirements for some categories of assets held by insurance and reinsurance undertakings has been

published in the Official Journal.  
*Official Journal, 13 October 2017*

## Brexit

### Chancellor response to Treasury Committee letter on impact of Brexit on insurance contracts

The UK Parliament has released a [letter](#) from Philip Hammond, Chancellor of the Exchequer, to Nicky Morgan, House of Commons Treasury Committee Chair, on the potential impact that Brexit may have on cross-border insurance contracts.  
*UK Parliament, 11 October 2017*

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