

Insurance Distribution Directive: Commission proposes to put back application date by seven months

The European Commission has today proposed, exceptionally, to push back the application date of the Insurance Distribution Directive (IDD) by seven months to 1 October 2018. The European Parliament and 16 Member States have requested such a postponement. Despite the transposition period foreseen and the fact that the date of entry into application was well known to stakeholders, it appears that some insurance distributors, especially smaller ones, are not yet fully ready for the new rules. In order to align the application dates, the Commission is also proposing to postpone the application of two IDD Delegated Regulations to 1 October. Member States are still required to transpose IDD into national law by the original date, 23 February 2018. The Insurance Distribution Directive regulates the way insurance products are sold, including across borders. It sets out the information that consumers should receive before they sign an insurance contract. It also imposes conduct of business and transparency rules on distributors. The Commission also adopted two Delegated Regulations under the IDD in September 2017. They lay out rules on product oversight and governance, on information requirements and conduct of business rules for the distribution of insurance-based investment products. The European Parliament and the Council will need to agree on the new application date in an accelerated legislative procedure.

European Commission's press release, 20 December 2018