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## BIPAR statement on IDD delay

BIPAR, the European Federation representing insurance agents, brokers and financial intermediaries, welcomes today's announcement by the European Commission to delay the application date of the Insurance Distribution Directive (IDD) to 1 October 2018.

The European community of insurance brokers, agents and financial advisors consist of hundreds of thousands of micro, small and medium-sized companies employing at local level an estimated one million persons.

Together with its national associations, BIPAR welcomed the IDD, which is expected to improve consumer protection and regulate all forms of insurance distribution.

The IDD is to be implemented at national level by 23 February 2018. The decision to delay the application to October 2018 is logical because the sector cannot be expected to adapt processes to new requirements within three months. For example, adaptations to software systems used by insurance intermediaries in the EU cannot start until the new detailed requirements of the level 2 texts on Product Oversight and Governance (POG) and Insurance-Based Investment Products (IBIPs) are finalised and confirmed.

In the future, when significant changes occur appropriate time should be given to the industry to properly apply the rules. Not only internal processes/procedures and policies need to be developed but there is a need for coordination between various parties in the market (for example between insurers and intermediaries on Product Oversight and Governance).

In the interest of consumer protection and trust it is important to create legal and contractual certainty. This would not have been achieved with the premature application of the Directive.

Since June 2017, BIPAR and its national associations have been informing national and European policymakers of the (objective and realistic) need for a delay of the IDD application.

For the above-mentioned reasons, we welcome that today, the European Commission followed the request of the European Parliament and various Member States and decided to delay the application date of the IDD until 1 October 2018.

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## **Note**

*BIPAR is the European Federation of Insurance Intermediaries. It groups 53 national associations in 30 countries. Through its national associations, BIPAR represents the interests of insurance agents and brokers and financial intermediaries in Europe.*

*Apart from some large multinationals, the insurance intermediation sector consists of hundreds of thousands of SMEs and micro-type operators. It accounts for 0.7% of European GDP, and over one million people are active in the sector. Insurance and financial intermediaries facilitate the insurance and financial process for several hundreds of millions of customers. The variety of business models, the high level of competition and the geographical spread in the sector ensure that everyone in Europe has easy access to tailor-made insurance and financial services.*

*BIPAR is a member of the World Federation of Insurance Intermediaries (WFII). Founded in Paris in 1937, BIPAR has been established in Brussels since 1989.*

*More information can be found on: [www.bipar.eu](http://www.bipar.eu)*