



# Paul Carty

**Chairman - EU Standing Committee of BIPAR**

**FIAR – The International Insurance-Reinsurance Forum**

**Brasov, 18 May 2016**



# Agenda

- Background (personal/BIPAR)
- Insurance Intermediaries (what they are/ what they do / what they are not)
- EU legislation that directly impacts on insurance intermediaries
- IDD
- EIOPA (gold plating/mischief /and red lines!)
- Observation and Conclusion



# Background

## Broker Representation

NIBA	→	IBA	1984 – 2001
CEIOPS	→	EIOPA	2004 – 2016
BIPAR			1985 – 2016

## Business

Coyle Hamilton	→	Willis	2001 – 2010
ARB Underwriting/A.R. Brassington & Co. Ltd			2010 – 2016

# Insurance Intermediaries

- Range in size, activity and type

Local,  
national,  
multi-national

Life, Pensions,  
Investments,  
Non-Life

Broker, Agent,  
Tied agent

- They are 'intermediaries' – they act for more than one party!
- They are not 'accountants' or 'lawyers' etc
- They are not a 'protected species'



# EU legislation that directly impacts insurance intermediaries

- IMD
- IDD
- PRIIPs
- MiFID I and II
- Solvency II



# IDD - Background

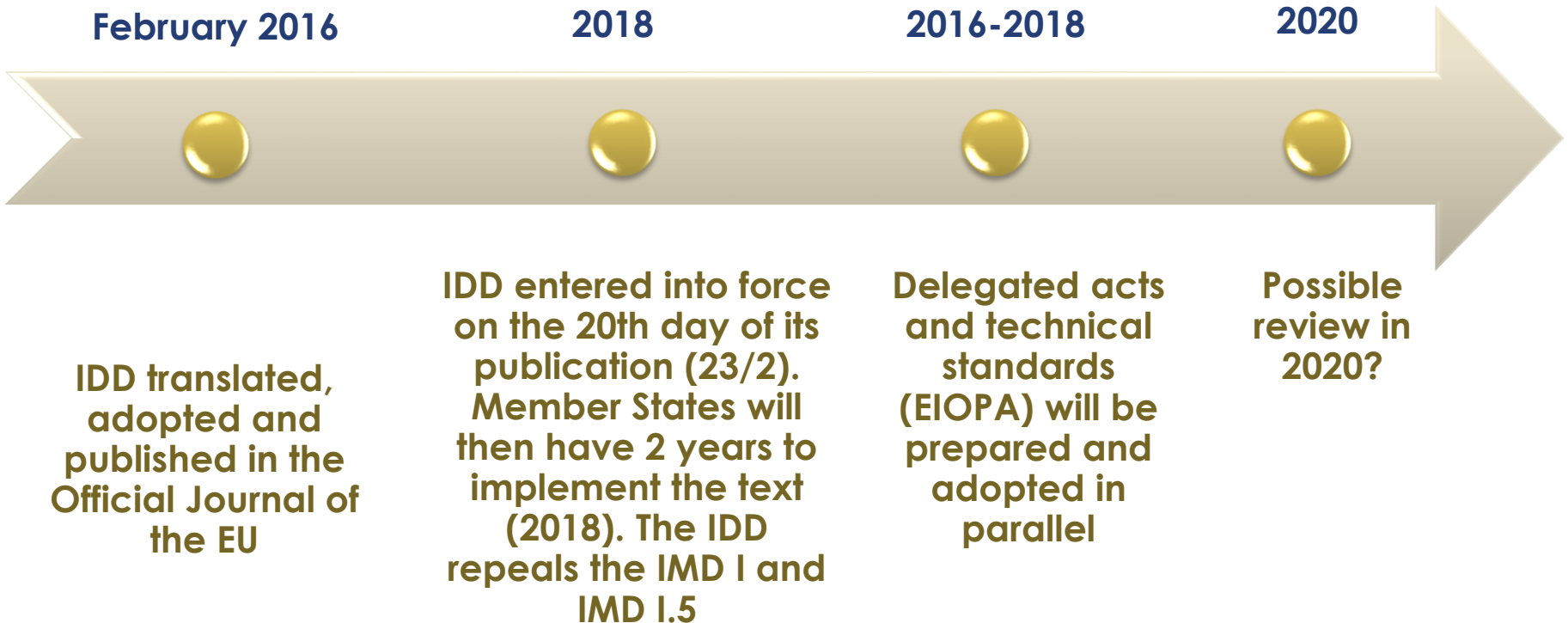
- 2002 - **IMD**
- 2005 - **IMD Implementation**  
(2007 implementation in all Member States)  
2009 - Review
- 2012 - **Recast - IMD II**
- 2014 (Dec)- **IMD II becomes IDD**
- 2015 (July) - **Political Agreement adopted**
- 2016 - IDD published



# IMD → IDD

- IMD: 24 recitals, 18 Articles
- IDD: 79 recitals, 46 Articles and 15 EIOPA measures + 1 Annex on knowledge and competence
- IDD: Also minimum harmonisation  
(Member States can't go below what is required but can go beyond for the purposes of consumer protection)

# Next steps







# What to watch?

## Member States discretion:

- Disclosure (hard?)
- Remuneration (ban?)
- Advice (mandatory?)
- Training according to Annex + Continuous training (15 hours per year - minimum)
- POG requirements
- General good rules (lack of clarity)
- IBIPs (Mifidisation )
- Level 2 and 3 measures (EIOPA)

○ ...



# IDD Delegated Acts

- Delegated acts re POG principles
- Delegated acts re conflicts of interest (IBIPs)
- Delegated acts re information to consumers (inducements) (IBIPs)
- Delegated acts re assessment of suitability and appropriateness and reporting to customers (IBIPs)



# IDD – EIOPA other measures/powers

- Possible EIOPA coordination of NCA monitoring their insurance/reinsurance market
- EIOPA single electronic register of intermediaries under FOS/FOE
- EIOPA assisting MSs in case of breach of IDD obligations by intermediaries under FOS/FOE
- Review of and regulatory standards re PI insurance and financial guarantee
- EIOPA Website with hyperlinks to national general good rules and EIOPA report on them
- Draft implementing technical standards re a standardised format of the PID
- Guidelines for the assessment and the supervision of cross-selling practices



# IDD – EIOPA other measures/powers

- EIOPA annual report re all administrative measures or sanctions
- 4 years after the IDD entry into force, EIOPA report on the application of the IDD.
- 2 years after the IDD entry into force, EIOPA evaluation of the structure of insurance intermediaries' markets
- 4 years after the IDD entry into force, EIOPA report on competent authorities powers and resources



# Observations and Conclusions

- Consumers pay for everything
- Regulation is an industry
- Europe needs intermediaries
- Intermediaries will adapt and thrive



# *Mulțumesc*

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