

CEA calls for minimum harmonisation regime during IMD review debate

Speaks at EC public hearing on review of Insurance Mediation Directive

Brussels, 10 December 2010: The CEA, the European insurance and reinsurance federation, set out its views on the European Commission's review of the Insurance Mediation Directive (IMD) at a public hearing organised by the EC today.

Speaking at the hearing, Alastair Evans, chair of the CEA's single market committee, said: "Insurance distribution channels vary across markets and this existing adaptation to national habits should remain possible in the future."

The CEA believes that the review should focus on the true needs of consumers. It is therefore important that the future Directive is a minimum harmonisation directive so that it is flexible enough to adapt to local consumers' needs and to accommodate existing diversity between markets and differences in their development.

Expressing the CEA's support for a high level of consumer protection for all insurance buyers, Evans also called for a proportionate approach when considering the rules that should be applied to different distribution channels.

In a second panel debate at the hearing, William Vidonja, head of the CEA's single market and social affairs department, welcomed the Commission's acknowledgement that the concepts of distribution in insurance and banking differ fundamentally. The CEA supports the EC in its recognition that rules cannot be read across from banking to insurance without taking into account insurance specificities.

The CEA welcomes the importance the EC places on high-level principles on selling practices for insurance as this would allow for the modulation of the principles to the complexity of the products. For this reason it has developed a Key Information Checklist to help policyholders better understand the key features of unit-linked life insurance. The checklist contains the minimum information that consumers should be provided with, regardless of the channel through which they buy.

Background

The European Commission launched a consultation on its review of the 2002 Insurance Mediation Directive on 26 November. The consultation runs until 31 January 2011 and today's hearing forms part of that consultation process.

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Notes for editors

1. For further information please contact Janina Clark, head of communications & PR (tel: +32 2 547 5812, clark@cea.eu).
2. Copies of all CEA press releases are available on the CEA's website (www.cea.eu).
3. The CEA is the European insurance and reinsurance federation. Through its 33 member bodies — the national insurance associations — the CEA represents all types of insurance and reinsurance



undertakings, eg pan-European companies, monoliners, mutuals and SMEs. The CEA, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers generate premium income of over €1 050bn, employ one million people and invest more than €6 800bn in the economy.