

Proposed key information document will not allow consumers to make meaningful comparison of investment products

Current timeline foreseen for implementation of PRIIPs KID not realistic

The content and presentation of the key information document (KID) for packaged retail and insurance-based investment products (PRIIPs), which has been proposed by the European supervisory authorities (ESAs), will make it difficult for consumers to compare investment products, including insurance-based investments, according to Insurance Europe, the European insurance and reinsurance federation.

This is because the KID does not take into account the specific features of insurance-based investment products in comparison to other PRIIPs, according to Insurance Europe's [response](#) to a consultation by the ESAs on the draft regulatory technical standards (RTS) on the content and presentation of the KID.

William Vidonja, head of conduct of business at Insurance Europe, said: "Insurance-based products provide additional benefits and protection, such as a guarantee of a given investment performance or protection against biometric risks. To enable consumers to make a meaningful comparison, the KID should separate the full biometric risk premium from the investment costs. In addition, insurance-based investment products are usually long-term investments. With this in mind, all sections of the KID should allow for a meaningful comparison between products that are both short and long-term, which is not currently the case. It is disappointing that comparability, which is the aim of the PRIIPs regulation, would not be achieved."

Insurers are also concerned that the majority of the application timeline has been taken up with work on Level 2 measures. As a result, insurance companies will only have between three to four months to implement the KID. The sophisticated methods which need to be implemented by the industry for the KID will require important modifications to IT systems which technically cannot be achieved in only a few months.

Vidonja commented: "The insurance sector needs sufficient time to program, test and launch the PRIIPs KID correctly, so that it delivers its objectives and allows consumers to better compare and understand these products. Unfortunately the current timeline is completely unrealistic. Consequently, a one-year extension of the PRIIPs application date is required to ensure that consumers receive the best outcome."

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Notes for editors

1. The full response is available [here](#).
2. For further information, or to be added to our mailing list, please contact Richard Mackillican, policy advisor communications & PR (tel: +32 2 894 30 69, mackillican@insuranceeurope.eu).
3. You can also receive updates from Insurance Europe, sign-up [here](#) or by following us on Twitter @InsuranceEurope.
4. Insurance Europe is the European insurance and reinsurance federation. Through its 34 member bodies — the national insurance associations — Insurance Europe represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs. Insurance Europe, 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 almost €1 170bn, employ over one million people and invest nearly €9 900bn in the economy.