

IAIS Consultations

Print view of your comments on "Consultation on ICP 18: Intermediaries" - Date: 28.08.2017, Time: 19:43

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Treat my comments as confidential	No

Question	
Answer	Q1 Comment on ICP 18
Answer	Q2 Comment on Introductory Guidance 18.0.1
	We welcome the recognition in this Guidance of the diversity across markets, and the emphasis on applying standards consistently to reduce regulatory arbitrage.
Answer	Q3 Comment on Introductory Guidance 18.0.2
Answer	Q4 Comment on Introductory Guidance 18.0.3
Answer	Q5 Comment on Introductory Guidance 18.0.4
Answer	Q6 Comment on Introductory Guidance 18.0.5
Answer	Q7 Comment on Introductory Guidance 18.0.6
	This Guidance requires some clarification, as it currently reads as if the IAIS would not expect supervisors to apply the standards required by the legislation of the jurisdiction in which the intermediary is operating, but apply some other standard. Revised ICP 1 (Objectives, Powers, and Responsibilities of the Supervisor) suggests that supervisory objectives may include promoting insurance market development, and financial inclusion. In those jurisdictions where these are the supervisory objectives, supervisors may take a different approach to the implementation of ICP 18 to other jurisdictions, in accordance with the IAIS' overarching concept of proportionality (as set out in ICP and ComFrame Introduction and Assessment Methodology). The suggestion in this Guidance that the legal requirements of the individual jurisdiction should be overlooked, and a different standard applied, undermines the supervisor's objectives in setting their jurisdictional requirements, potentially resulting in a loss of choice for policyholders, and a negative impact on

	insurance penetration.
Answer	
	Q8 Comment on Guidance 18.0.7
Answer	
	Q9 Comment on Guidance 18.0.8
Answer	
	Q10 Comment on Guidance 18.0.9
Answer	This Guidance, and in 18.0.24, refers to vulnerable consumers. Insurance Europe suggests that the IAIS provides more clarity as to what this term means.
	Q11 Comment on Guidance 18.0.10
Answer	
	Q12 Comment on Guidance 18.0.11
Answer	As well as recognising the need to promote innovation and competition, we suggest that this Guidance also reflects that some jurisdictions also emphasise the need to increase insurance penetration.
	Q13 Comment on Guidance 18.0.12
Answer	The distinction between agents and brokers should apply not only for ICP 18 but also for ICP 19. Therefore, at the beginning of the fourth paragraph, it should state "For the purposes of ICP 18 and ICP 19..." instead of "For the purposes of this ICP...".
	Q14 Comment on Guidance 18.0.13
Answer	<p>Suggestion for re-drafting of the paragraph for clarification purposes:</p> <p>"Some supervisors do not distinguish between agents and brokers in legislation and instead supervise according to the activity performed. In some jurisdictions, it may be possible for an intermediary to have different status depending on the customer relationship and the product or service being offered, while in others, conflicts of interest that could arise vis-à-vis consumers are solved by establishing rules that prevent an intermediary from acting in any status other than the one in which he has been registered"</p>
	Q15 Comment on Guidance 18.0.14
Answer	<p>Suggestion for re-drafting of the paragraph for clarification purposes:</p> <p>Intermediary operations range from large international firms to local sole traders. Intermediary firms sometimes operate as independent enterprises or divisions of insurers or other financial institutions, or as part of non-financial organisations. Intermediation may also be performed by digital means, such as websites, apps etc. or comparison websites run by authorised intermediaries.</p>
	Q16 Comment on Guidance 18.0.15
Answer	

	Q17	Comment on Guidance	18.0.16
Answer			
	Q18	Comment on Guidance	18.0.17
Answer			
	Q19	Comment on Guidance	18.0.18
Answer			
	Q20	Comment on Guidance	18.0.19
Answer			
	Q21	Comment on Guidance	18.0.20
Answer	Insurance Europe welcomes the IAIS' emphasis on financial awareness and education in this Guidance.		
	Q22	Comment on Guidance	18.0.21
Answer			
	Q23	Comment on Guidance	18.0.22
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	Q24	Comment on Guidance	18.0.23
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	Q25	Comment on Guidance	18.0.24
Answer			
	Q26	Comment on Guidance	18.0.25
Answer			
	Q27	Comment on Guidance	18.0.26
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	Q28	Comment on Guidance	18.0.27
Answer			
	Q29	Comment on Guidance	18.0.28
Answer			
	Q30	Comment on Standard	18.1
Answer			
	Q31	Comment on Guidance	18.1.1
Answer			

	Q32	Comment on Guidance 18.1.2
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	Q33	Comment on Guidance 18.1.3
Answer	<input type="text"/>	
	Q34	Comment on Guidance 18.1.4
Answer	<input type="text"/>	
	Q35	Comment on Guidance 18.1.5
Answer	<p>This guidance provides a list of information that supervisors may require in order to grant a licence to intermediaries. The information in this list would be fit for the purpose of granting a licence to insurance undertakings, and is presumably intended for brokers or founders of agency organisations. It is too detailed, and potentially impractical, for agents, and goes too far for intermediaries that do not bear the risk and are mainly individuals or SME structures. This may have unintended consequences in markets with mainly agency-led distribution. If this list remains as it is, we suggest that, similar to 18.2.6, this list is prefaced with the term “Where the intermediary is an employee of the insurer...”.</p>	
	Q36	Comment on Guidance 18.1.6
Answer	<input type="text"/>	
	Q37	Comment on Guidance 18.1.7
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	Q38	Comment on Guidance 18.1.8
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	Q39	Comment on Guidance 18.1.9
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	Q40	Comment on Guidance 18.1.10
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	Q41	Comment on Standard 18.2
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	Q42	Comment on Guidance 18.2.1
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	Q45	Comment on Guidance 18.2.4
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	Q46	Comment on Guidance 18.2.5
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	Q59	Comment on Guidance 18.2.18
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	Q60	Comment on Guidance 18.2.19

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	Q61 Comment on Standard 18.3
Answer	Insurance Europe recommends that recognition is given to industry/insurer training as a valid method for educating intermediaries.
	Q62 Comment on Guidance 18.3.1
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	Q63 Comment on Guidance 18.3.2
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	Q65 Comment on Guidance 18.3.4
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	Q68 Comment on Guidance 18.3.7
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	Q74 Comment on Guidance 18.3.13
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	Q75	Comment on Guidance 18.3.14
Answer		
	Q76	Comment on Standard 18.4
Answer	The Guidance relating to ICP 18.4 could also refer to disciplinary policies and procedures for wrongdoing.	
	Q77	Comment on Guidance 18.4.1
Answer		
	Q78	Comment on Guidance 18.4.2
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	Q79	Comment on Guidance 18.4.3
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	Q80	Comment on Guidance 18.4.4
Answer		
	Q81	Comment on Guidance 18.4.5
Answer		
	Q82	Comment on Standard 18.5
Answer		
	Q83	Comment on Guidance 18.5.1
Answer		
	Q84	Comment on Guidance 18.5.2
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	Q85	Comment on Guidance 18.5.3
Answer	Insurance Europe suggests that there is flexibility as to how terms of business are disclosed – i.e. that it not necessarily be a separate document, but could be integrated into the product information to improve the customer experience.	
	Q86	Comment on Guidance 18.5.4
Answer		
	Q87	Comment on Guidance 18.5.5
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	Q88	Comment on Guidance 18.5.6
Answer		

	Q89	Comment on Guidance 18.5.7
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	Q90	Comment on Guidance 18.5.8
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	Q91	Comment on Guidance 18.5.9
Answer	Financial interests, such as a shareholding that agents may have in the insurer they are tied with, do not raise any conflicts of interest. In this respect, a distinction should be made between insurance undertakings' employees or tied agents on the one hand, and other intermediaries on the other hand.	
	Q92	Comment on Guidance 18.5.10
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	Q93	Comment on Guidance 18.5.11
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	Q94	Comment on Guidance 18.5.12
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	Q95	Comment on Guidance 18.5.13
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	Q96	Comment on Guidance 18.5.14
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	Q97	Comment on Guidance 18.5.15
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	Q98	Comment on Guidance 18.5.16
Answer		
	Q99	Comment on Guidance 18.5.17
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	Q100	Comment on Guidance 18.5.18
Answer	Insofar, with respect to tied (exclusive) agents, as they facilitate improvements to customer service, professional support and IT support should not be seen as raising conflicts of interests.	
	Q101	Comment on Standard 18.6
Answer		
	Q102	Comment on Guidance 18.6.1

Answer	
	Q103 Comment on Guidance 18.6.2
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	Q104 Comment on Guidance 18.6.3
Answer	
	Q105 Comment on Guidance 18.6.4
Answer	
	Q106 Comment on Guidance 18.6.5
Answer	
	Q107 Comment on Guidance 18.6.6
Answer	
	Q108 Comment on Guidance 18.6.7
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	Q109 Comment on Standard 18.7
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	Q110 Comment on Guidance 18.7.1
Answer	
	Q111 Comment on Guidance 18.7.2
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	Q112 Comment on Guidance 18.7.3
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	Q113 Comment on Guidance 18.7.4
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	Q114 Comment on Guidance 18.7.5
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	Q115 Comment on Guidance 18.7.6
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	Q116 Comment on Guidance 18.7.7
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	Q117 Comment on Guidance 18.7.8
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	Q126	Comment on Guidance 18.9.2
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