
IPIDS - Are you ready?

- the Insurance Product Information Document and the impact on MGAs

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Content

- Background
 - what is an IPID?
 - who must provide an IPID?
 - deadlines
- Responsibilities of MGAs
- What to include (or not include) in an IPID
- Regulatory considerations
- Steps required before implementation

Background - objectives

- Insurance Distribution Directive objectives:
 - harmonise national provisions concerning (re)insurance distribution
 - consumers should get the same level of protection, regardless of the method of distribution
 - insurance ‘distributors’ act “*honestly, fairly and professionally in the best interests of their customers*”

Background - implementation

- The Insurance Product Information Document to be issued for policies:
 - entered into on or after 23 February 2018
 - for consumers (i.e. those acting outside of their trade, business or profession)
- Delay to implementation?
- Brexit

What is an IPID?

- A short, standalone summary of the insurance, which:
 - is clear and easy to read
 - uses characters of a readable size
 - is accurate and not misleading
 - is equally clear in colour or black and white
 - is entitled 'Insurance Product Information Document'
 - contains a statement that pre-contractual and contractual information is provided in other documents
 - no more than 2 pages (3 is special circumstances) 'per contract'
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What information must an IPID contain?

• main risks insured	• pre-inception obligations
• insured sum(s)	• mid-term obligations
• geographical scope	• obligations in the event of a claim
• summary of exclusions	• contract term
• means of payment of premium	• means of termination

Xxxxx Insurance

Insurance Product Information Document

Company: <Name> Insurance Company Product: <Name> Policy

[Statement that complete pre-contractual and contractual information on the product is provided in other documents]

What is this type of insurance?

[Description of Insurance]



What is insured?

- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx



What is not insured?

- ✗ Xxxxxx
- ✗ Xxxxxx
- ✗ Xxxxxx
- ✗ Xxxxxx
- ✗ Xxxxxx



Are there any restrictions on cover?

- ! Xxxxxx
- ! Xxxxxx
- ! Xxxxxx
- ! Xxxxxx
- ! Xxxxxx



Where am I covered?

- ✓ Xxxxxx



What are my obligations?

- Xxxxxx
- Xxxxxx
- Xxxxxx
- Xxxxxx



When and how do I pay?

Xxxxxx



When does the cover start and end?

Xxxxxx



How do I cancel the contract?

Xxxxxx

Whose responsibility is it?

Distributor	Provide the IPID to the customer ' <i>prior to the conclusion of an insurance contract</i> '
Manufacturer	Draw up the IPID

Distributors & manufacturers

- ‘Distributor’
 - advising or proposing on; or
 - undertaking work preparatory to the conclusion of; a contract of insurance
- ‘Manufacturer’
 - not defined in the IDD
 - FCA guidance - can include intermediaries
 - product oversight and governance (see MiFID)
- What are you?

Responsibilities of MGAs - distribution

- Where acting as distributor:
 - issue the IPID prior to inception
 - check the content of IPID prior to issue
 - you still have a regulatory obligation (even if you are not the manufacturer)
- Where others are distributing:
 - ensure the distributor is aware of requirements
 - check TOBAs
 - ensure the distributor has a suitable IPID

Responsibilities of MGAs - manufacturing

- Where acting as manufacturer:
 - produce IPID in accordance with IDD and technical guidance
 - supply to any distributors
 - check TOBAs with distributors

What to include in an IPID

- Drafting the IPID:
 - ‘main’ risks insured and exclusions
 - claims and complaints data?
 - justify rationale for decisions
 - include limits and policy dates
 - how will you do this?

Regulatory consideration

- IPIDs do not replace existing obligations

ICOBS 6	Obligations to provide product information
TCF Consumer Outcome 3	Consumers are provided with clear information and kept appropriately informed before, during and after the point of sale
TCF Consumer Outcome 5	Consumers are provided with products that perform as firms have led them to expect, and the associated service is of an acceptable standard and as they have been led to expect

- Non-consumers - consider providing an IPID anyway?

Preparation for implementation - next steps

- Review products
 - Identify whether an IPID is required
 - If so...
 - are you the manufacturer? If so, produce an IPID
 - if not, who is?
 - check IPIDs produced by other manufacturers
 - Liaise with third parties
 - do they understand their obligations?
 - are your TOBAs sufficiently robust?
 - Make sure you have solutions in place:
 - how will you personalise the IPIDs?
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Any questions?

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