

Insurance Europe preliminary observations on the format of the PID

In light of EIOPA's upcoming work on developing draft implementing technical standards regarding a standardised presentation format of the insurance product information document (PID), Insurance Europe would like to take the opportunity to share its views and those of its member national associations on the key aspects that should be taken into account in the development of an effective and customer-friendly format for the PID.

■ Flexibility

Effective and customer-friendly pre-contractual, non-personalised information disclosure should be predicated on allowing flexibility in the presentation of information to customers. As regards the overall length of the PID, we would support a document of 2 to 3 pages. However, obliging insurers to follow a rigid, inflexible format with a predetermined length for each section would restrict the possibility to adapt the PID to the different types of non-life product. The objective is to provide an appropriate level of information to customers to assist in their decision-making, which should not be dependent upon criteria such as a specific, fixed number of lines per section. The main point is to ensure that all of the relevant information as required under the Level 1 text is provided to the customer. Allowing a flexible format, in terms of the available space for each of the respective information sections, takes into account the differences between the types of non-life products and between customers in different member states.

■ Cross-referencing / layered approach

One of the key features that needs to be enshrined in the format of the PID is the ability to cross-reference other documents and to refer customers to the applicable terms and conditions in order to avoid any legal uncertainty. Such a layered approach will also allow the PID to be kept to a short and feasible length, and to be more easily readable for customers. Customers will benefit from receiving succinct information on the basic features of each product, with the possibility to easily access more detailed information if, and when, they so choose. Too much information will not benefit customers and may even be counter-productive as it creates unnecessary confusion and overload.

Insurance Europe is therefore supportive of adopting a layered approach to the provision of information under the PID. This will also be compatible with the digitalisation of insurance distribution and the presentation of the PID in a digital-friendly format, allowing customers to click-through on relevant sections of the PID and obtain further information online. It is crucial to ensure that the PID is workable both as a paper and a digital document to ensure that it remains future-proof in light of the increasing digital trend in financial services.

■ Presentation of information

Insurance Europe believes that the information to be presented in the PID would best be provided by means of a combination of icons/graphics and narrative text in order to meet the requirements set out in the Level 1 IDD text. The use of icons will help to draw the customer's attention to relevant sections to identify relevant information quickly and to ensure that the document is simple and straightforward to read.

In order to allow for sufficient and meaningful comparability for customers, it should also be clear which company is behind each PID. An appropriate space should therefore be set aside in the format of such a document for the inclusion of identifying corporate information or a logo so that customers are easily able to distinguish PIDs from one another.

■ **Non-personalised document**

Insurance Europe wishes to stress that the use of a standardised presentation format for pre-contractual product information is intended to allow customers the possibility to compare different non-life products on the market prior to entering into any contract. As such, the PID is intended as a non-personalised document. The information to be contained therein should not be construed as implying any personalisation or individualisation on the basis of information provided by the customer.

■ **Disclaimer**

Insurance Europe would like to stress the importance of including a disclaimer in the PID in a clear and prominent manner. This should highlight the fact that the PID is only intended to provide a summary of the main coverage and exclusions associated with the product, and that the document is not personalised or tailored to the individual in any way. It should also indicate that full policy information will be provided at the conclusion of the contract.

This would be consistent with the requirement in the IDD text that the PID should include a statement that complete pre-contractual and contractual information on the product is provided in other documents.

■ **PID for professional customers**

Given the generally customised and bespoke nature of commercial contracts with professional customers, it is difficult to provide a pre-contractual PID that would have much meaning for such customers. We believe therefore that rather than providing a pre-contractual document that would have little benefit for professional customers, a workable solution would be to have this information incorporated as part of the policy document itself on conclusion of the contract.