IAIS
INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

Public

Revision of ICPs 18 (Intermediaries) and 19 (Conduct of Business)

Public discussion call

13 November 2017

Introduction

Objectives of this public discussion session

- Present a summary of the comments received during the public consultation (July - August 2017)
- Present the resolutions and final revised ICPs

Introduction

Responsible subcommittee:
Market Conduct Working Group (MCWG)

Consultation period:
30 June – 29 August 2017

Comments and input received from:

- 21 organisations (including multi-stakeholder groups)
- >530 individual comments

Comments common to ICP 18 & 19

Issue/comment	Resolution
Achieving the appropriate level of detail in the guidance	Guidance largely maintained; some examples deleted where now covered by application material. Where lists provide examples, this is made clearer. Note that guidance is not mandatory.
Application of ICPs 18 & 19 in a group-wide context should not create an unlevel playing field (ie it they result in different requirements for different market participants in a jurisdiction)	Language has been revised to avoid misunderstanding and recognise that local specificities are relevant

Comments on ICP 18

Issue/comment	Resolution
There should be adequate reflection of proportionality (including in the principle)	Proportionality is an underlying precondition of the ICPs. It is also specifically discussed in the introductory guidance, but not considered appropriate for inclusion in the principle.
References to “agent” and “broker” should be eliminated, as these terms are not universally used or similarly understood	These terms have now been eliminated and instead reference made to the degree of independence or status vis-à-vis insurers and customers

Comments on ICP 18

Issue/comment	Resolution
Intermediary definition and scope: - The principle should refer to "those conducting the activity of insurance intermediation" rather than "intermediary" - There should be clear distinction between insurers' direct distribution and other intermediary forms	- Not necessary, in view of the IAIS definition of insurance intermediary - The ICP takes a functional approach, consistent with the IAIS definition of intermediary. Not all ICP 18 standards will necessarily apply to direct distribution.

Comments on ICP 19

Issue/comment	Resolution
Greater emphasis should be placed on policyholder protection as an objective of COB (and less on financial stability)	Introductory guidance rebalanced for greater emphasis on policyholder protection objective
Regarding respective responsibilities between insurers and intermediaries, there should be appropriate recognitions of intermediaries' responsibilities; avoid impression that insurers are supervisors of intermediaries	The standard and supporting guidance have been revised to better recognise that responsibilities apply to both

Comments on ICP 19

Issue/comment	Resolution
Need to better recognise that insurance supervisors are not usually competent authorities for data protection	Now more explicitly reflected, as well as the potential need for the supervisor to liaise with the relevant authority

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Comments/Questions?

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