Resolution of comments

Public consultation comments received in the consultation phase of preparing the *Issues Paper on customers receiving value from insurance products*

28-Apr-26 to 28-July-26

1 Overview of the public consultation feedback

1.1 Submissions received

A total of 24 respondents lodged consultation submissions. Two respondents elected that their submission not be published on the IAIS website; accordingly, they are not included within this document. The rest of the submissions, together with the IAIS' resolution of each comment, can be viewed in entirety within the table from page 6.

	Name of organisation	**Jurisdiction**
1	Brenda J Cude, University of Georgia	USA
2	Aurevo Lab	Taiwan
3	BonkNote	USA
4	Allianz SE	Germany
5	CNP Assurances	France
6	General Insurance Association of Japan	Japan
7	The Life Insurance Association of Japan	Japan
8	German Insurance Association (GDV e.V.)	Germany
9	France Assureurs	France
10	The American Property Casualty Insurance Association (APCIA)	USA
11	The American Council of Life Insurers (ACLI)	USA
12	Insurance Europe	EU
13	Conference of European Bancassurers (CEB)	EU
14	Institute of International Finance (IIF)	USA
15	The International Actuarial Association (IAA)	International
16	The Geneva Association	International
17	World Federation of Insurance Intermediaries WFII	International
18	Global Federation of Insurance Associations (GFIA)	International
19	Financial Services Authority	Oman
20	GCAF Groupe des contrôleurs d'assurance francophones	Various French speaking jurisdictions
21	National Insurance Commission, Nigeria	Nigeria
22	National Association of Insurance Commissioners (NAIC)	USA

1.2 Key consultation themes and the IAIS' response

The first five pages of this document provides an overview of the key feedback themes that emerged across the consultation, together with the IAIS responding position. The "resolution of comment" column in the table from page 6 cross-references back to these IAIS responses (IAIS response A, IAIS response B etc).

A. There was broad support for the objective that insurance products deliver meaningful value to consumers, and that both quantitative and qualitative elements impact the value of insurance products to a consumer. Additionally, there was support for the paper's message that consumers face challenges in evaluating the value of insurance products and that behavioural factors, trust, convenience and contextual influences often outweigh purely rational cost-benefit analyses. Further there were several statements of endorsement for moving beyond an exclusively "buyer beware" approach, acknowledging that simply providing more information to consumers is unlikely to be effective in addressing these challenges. No changes required in the paper in response to these favourable, supportive remarks.

B. Some comments questioned whether the paper sufficiently explains what is meant by value in insurance and argued that value is multidimensional, context-dependent and extends beyond claims outcomes, costs or investment returns. The paper now provides a more detailed explanation in new section 1.3 of value in insurance, including distinctions between value and affordability, objective and perceived value, and the ways in which value may arise from risk transfer, protection, peace of mind, guarantees, services and long-term outcomes. The revised text also recognises the distinct characteristics of savings and insurance-based investment products. This is also reinforced by text additions at the start of section 3.1 reinforcing that there is no universal single definition of value.

C. A couple of comments sought clarification that the paper is focused on retail customers. A new section 1.1. now clarifies upfront that the paper focuses principally on retail consumers, and that observations in the paper may apply differently to larger or sophisticated commercial consumers.

D. Some comments questioned the paper's treatment of low value and low trust as potentially influencing insurance uptake and argued that insurance demand is influenced by a broader range of factors. Former section 1.2 was redrafted and is now section 1.4 in the paper. The redraft more evenly recognises affordability, income, financial literacy, risk awareness, public welfare arrangements, mandatory insurance requirements, distribution channels and consumer preferences as factors influencing insurance uptake. The revised text also distinguishes objective value, perceived value and affordability.

E. Some comments emphasised the role of advice, decision support and useful product information in helping consumers understand insurance products and assess value, and several stressed that too lengthy and/or duplicative disclosures confuse and overwhelm rather than assist consumers. Similarly, a couple of comments suggested stronger acknowledgment of education and financial literacy as elements that can support consumers' assessments of value. The paper was amended to recognise that appropriate advice and other forms of decision support may assist consumers to identify their needs, understand product features and limitations, compare alternatives and assess trade-offs. The discussion of disclosures was also revised to focus on timely, understandable and decision-useful information rather than simply providing more information. An extra paragraph has been added in section 3 reinforcing the merit of consumer education and financial literacy, whilst also retaining the message that these initiatives can complement – but not replace – a market environment where products that offer value are distributed and sold.

F. Some comments emphasised that supervisors need to preserve risk-based pricing, competition, product diversity, innovation and insurers' commercial freedom. The paper has sought to acknowledge these elements in the broader value discourse. In particular, a new paragraph in section 4.2 now explicitly acknowledges risk-based pricing. Additionally, at the start of section 5, the paper now states that market-driven product innovation and competition is welcome, and should be guided by providing value to consumers and treating consumers fairly.

G. Some comments expressed that the paper should enable supervisory approaches to remain flexible, risk-based and proportionate, and avoid uniform definitions or wording that could suggest the creation of new supervisory expectations. Relatedly, some comments suggested that the examples in the paper should not be read as global best practices nor as practices applicable to all jurisdictions, and that the paper should follow a jurisdiction-sensitive approach. This paper aims to enhance understanding of the importance of insurance products delivering meaningful value to customers and possible ways to achieve this, in a principles-based nature. The paper is intended to provide background on this topic and to be primarily descriptive in nature, not to create expectations on how supervisors should implement supervisory material. That is why it is an IAIS Issues Paper. Relatedly, the paper is providing insight into various supervisory approaches and considerations for assessing and promoting customers' value not prescribing any specific, "one size fits all" supervisory methodology nor establishing a single definition of value. To further reinforce this, an explicit statement has been added to the Executive Summary. Additionally, the introductory text of section 3 now even more explicitly recognises that fair value and fair outcomes can be delivered through different combinations of product governance, suitability, disclosures, market oversight and enforcement, reflecting the different legal, regulatory and market contexts across jurisdictions. The examples are intended to illustrate that there are different supervisory approaches and practices to address low value in the insurance sector, reflective of the diverse regulatory landscapes and market conditions across jurisdictions. To further reinforce this, all examples in the paper are now expressly labelled as "Illustrative examples".

H. Several comments shared additional examples and approaches observed in a range of jurisdictions. In some cases, extra examples have been added into the paper in response to the references cited by respondents. Not every extra example was included and, where added, it was done in consultation with the relevant supervisory authority.

I. Some comments challenged the premise of *Section 4 Aspects that can diminish the value offered by insurance*, arguing that it did not sufficiently distinguish between legitimate insurance product and distribution features on one hand and the circumstances that may lead to poor consumer outcomes on the other hand. A recurring feedback theme was that value should be assessed holistically, recognising the trade-offs inherent in insurance product design and the legitimate role of features such as exclusions, risk-based pricing, product complexity, commissions and bundled arrangements. Respondents also emphasised the importance of preserving consumer choice and supporting consumers in navigating complex decisions. The introductory text at the start of section 4 has been edited and lengthened to emphasise that the aspects detailed in this section are worthy of attention because – without appropriate governance, transparency and customer-centricity – they risk negatively impacting the value experienced by consumers from their insurance purchase. The paper does not suggest that the presence of an aspect listed in section 4 is automatically, in all cases, conclusive of a lack of value. Additionally, revisions within the subsections provide greater recognition of the legitimate role and trade-offs associated with the discussed features, while keeping the paper's focus predominantly on the circumstances that may contribute to poor consumer outcomes. In particular:

- Revision was made to avoid suggesting that products should only be sold within the identified target market (as that is not the rule in all jurisdictions) and now recognises that products may remain appropriate where demands-and-needs or suitability assessments demonstrate alignment with customer circumstances, even if those customers are outside the defined target market.
- The discussion on exclusions was revised to recognise that exclusions can be necessary features of insurance design which support affordability and sustainability, and the focus has shifted towards appropriate transparency, disclosure and customer understanding of the exclusions.
- Edits in section 4.2 acknowledge the relevance of risk-based pricing.
- While section 4.3 did already recognise that bundling can increase insurance access and uptake, additional text has now been included to clarify that bundled arrangements do not, in themselves, indicate poor value and that value may depend on whether the insurance component independently provides fair value and meets the needs of the intended customer group. The revised text also recognises that clear disclosure, transparency regarding costs and coverage, product governance requirements and preservation of consumer choice can help mitigate risks and support better outcomes in the context of bundled or tied sales.
- Edits in section 4.4 acknowledge that payments and commissions are not in themselves problematic.
- The opening paragraph of section 4.5 was revised to clarify that complexity is not inherently bad and may be necessary to provide appropriate coverage, flexibility, guarantees and other consumer benefits. Additional text was included recognising differences in decision-making across product types and clarifying that complexity may diminish value where consumers are expected to make important decisions without sufficient understanding, support or assistance.

J. Some comments called for a more balanced discussion of switching and portability within section 4.5 highlighting that switching, replacement and other post-sale decisions can involve significant trade-offs and materially affect realised customer value. The paper was revised to better recognise that there may be risks and consequences associated with switching decisions, including the potential loss of existing benefits, surrender penalties, less favourable underwriting outcomes, impacts on premium trajectories and continuity of cover – all of which can be difficult for consumers to evaluate and assess themselves. Added text also recognises that post-sale decisions, such as policy surrender, replacement, contractual options and ongoing investment decisions, may materially affect realised customer value. The paper states that consumers should be assisted and enabled to understand potential benefits and risks of switching so they can constructively exercise the ability to "shop around" to help themselves secure good value. The revised section further acknowledges the role that distributors and advisers can play in helping consumers understand product features, risks, available options and complex decision-making processes. The paper also acknowledges that the flexibility to easily change products without the customer incurring detriment ("portability"), can also be considered as providing value to the customer (in section 5.3 and in the Exec Summary).

K. Some comments on *Section 5 Aspects that can enhance the value offered by insurance* suggested additional points to incorporate in the explanation of these aspects. Some comments highlighted that customer value may arise from a range of product features and customer-oriented service dispositions, including advice, support and dispute-resolution services and ongoing engagement with customers. And some comments emphasised that if

parametric insurance is cited in the context of customer-centric claims handling it is important to recognise both potential advantages and disadvantages. Minor edits have been made accordingly in this section through revisions to the discussion of claims handling, parametric insurance, product flexibility and responsiveness, and downside protection. Other comments raised issues that were already reflected in the paper's existing discussion of value-enhancing product features and therefore did not require further amendment.

L. Some comments on Section 6 expressed concern that the value indicators identified and how they are treated within the subsections lacks a sufficiently holistic context for a fair consideration of value and that a more nuanced perspective is needed rather than one element alone being regarded as conclusive of a lack of value. The examples given in section 6 have been retained because they show particular supervisory concerns about value, and responses to them, over recent years. A new introductory paragraph has been added at the start of section 6 intended to address both the concern about using any indicator on a 'standalone' basis and to note that other indicators and considerations of value may be relevant. The point that no single indicator be relied on as providing a complete assessment of value is also made within the relevant bullet in the Executive Summary and in sections 1.3 and 3.1 of the post-consultation version.

M. Some comments remarked that the paper is too focused on negative observations and therefore the paper creates an impression that value concerns are widespread when that is not the case. These commentors assert that the instances of value-for-money concerns in the paper represent exceptional, limited and non-systemic situations when assessed against the scale of global insurance activity. In the opposite direction, some other comments proposed the addition of more messages that insurance needs to be available at a reasonable and fair price – not a prohibitive price. The IAIS considers that the paper is overall appropriately balanced.

2 Full consultation comments and IAIS resolution

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#	Respondent	Comment	Resolution of comment
General comments on the Issues Paper			
1	**National Insurance Commission, Abuja Nigeria**	The contents of the Issues Paper are genuine, and the observations should assist supervisors see the more reasons in addressing insuring public concerns about unfair trade practices by some insurance institutions against insurance consumers. The National Insurance Commission, Nigeria had considered some elements of the IAIS ICP 19.0.2 in its Revised Market Conduct and Business Practice Guidelines for Insurance & Reinsurance Companies 2024 which strengthened the ability of the insuring public members in their dealings with the insurance institutions and other service providers. The IAIS Draft Issues Papers on customers receiving value from insurance products would serve to boost effective supervision against unfair trade practices, among others, for the protection of the insuring public and creating a fair insurance product.	Comment noted.
2	**Aurevo Lab, Taiwan**	This is a strong and comprehensive paper, and its central move — that a pure "buyer beware" approach is neither fair nor effective for insurance value — is well made. I want to offer one cross-cutting observation that applies across several sections rather than repeat it in each. The paper's treatment of value is thorough at two layers: the financial layer (pricing, claims ratios, commissions, costs) and the claims layer (handling, payouts, disputes). For most product classes this is sufficient. For residential property insurance it is not, because there is a third layer the paper touches repeatedly but never names: the effective condition of the insured asset itself, and how it changes over the life of the policy. A dwelling is not static across a policy's life. Its effective condition — the gap between what the property nominally is and what it would actually cost to keep liveable and insurable — follows a path shaped by moisture accumulation, electrical-loading creep, behavioural adaptation by occupants, and demographic shift as households age in place. This trajectory is largely invisible to point-of-sale assessment and to the conduct indicators the paper relies on, yet for residential insurance it is one of the largest drivers of whether the coverage will actually hold. Several sections — notably 4.1 and 4.5 — circle this gap from different angles. My detailed comments below identify where it surfaces and why closing it is, in my view, the highest-leverage contribution available to this work for the residential class. The position set out in these comments draws on a documented cross-market residential cohort; the empirical and conceptual basis is in the public record at DOI https://doi.org/10.5281/zenodo.19666299.	Comments noted. Edits have been made in Section 4.

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3	**Brenda Cude University of Georgia, USA**	I believe this is an important topic and am pleased to see IAIS address it. In general, I agree with the general direction of the positions taken in the paper.	Comment noted.
4	**World Federation of Insurance Intermediaries WFII**	WFII appreciates the opportunity provided by the IAIS to comment on the draft Issues Paper on customers receiving value from insurance products. WFII would highly appreciate to have a second opportunity to comment on the final draft before the paper becomes final and public. From experience we know that after the first consultation there are indeed often made new comments or inserted new concepts and it would be highly appreciated if WFII and other associations or federations of stakeholders would have (even a short) an opportunity to comment also on these before the finalization of the IAIS paper. Although we appreciate the "positive" introduction, WFII would suggest that the IAIS adds some more (detailed) chapters on the positive elements of insurance. For example, an extra introductory chapter describing first of all the fact that consumers have difficulty in understanding the need for insurance (and not only the value of insurance). For example, by referring to the "ostrich effect" (the effect that people intentionally avoid negative of threatening information). The IAIS could also add a chapter explaining in more detail the importance of insurance both for the economy as a whole but also for individuals and businesses. The relationship between economic welfare and insurance penetration in some given markets could be illustrated. Overall, we note an imbalance in the paper between the emphasis placed on the potential shortcomings and risks associated with insurance products and distribution, and the positive contribution that insurance and distributors make to the economy and society. As drafted, the paper may inadvertently reinforce consumer mistrust, whereas insurance, overall, delivers substantial economic and social benefits. The IAIS could also include a chapter re-assuring the readers that there are already in most if not all jurisdictions, regulation and supervision in place that protects the insured, policyholders and consumers and businesses when they subscribe an insurance policy. These rules and supervision systems in place cover both insurers and distributors (such as intermediaries and other distribution channels). Extra attention by consumers may be needed when using AI or finfluencers information (this is part of on-going work by IAIS and its members). The IAIS could also include a chapter or paragraph that in the interest of legal certainty and	Comment noted. As for the comment on including more positive aspects of insurance, while this aspect has been taken into account in the revised version of the paper, the main objective of the paper remains to enhance understanding of the importance of insurance products delivering meaningful value to customers and of ways to achieve this. As for the suggestion of renaming the title of section 4.4., the title has been revised but with a slight modification to better reflect the content of that specific section. Edits have been made also to reflect the potential positive aspects of bundling products.

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		consistency the issues mentioned in this paper will probably already be embedded in existing regulation or ICP's (for example conflict of interest management by insurers and intermediaries) and that supervisors should first use their supervisory function/ tools proportionately before introducing new rules. Considering the protection gaps, intermediaries, in their day to day practice, observe indeed the difficulty of consumers to understand what challenges consumers face in assessing the risk they have and how and in how far there are solutions to transfer the risks. The paper could therefore indicate in the introduction that clear information in the contracts or pre-contractual information and a conversation with a licensed intermediary or distributor can be useful to better understand exclusions and policy wording and detecting (possibly unknown) needs and demands of the consumer. Financial and risk education can also be useful and should start at secondary school level. Supporting consumers in understanding insurance products and overcoming these challenges is central to the role of insurance intermediaries. We believe that intermediaries may start from the assumption that the insurance products on the market are good products and that the information/ documentation related to the product features is accurate and reflecting correctly the reality of that product. We note in this draft issues paper various aspects that are related to what in some jurisdictions is explicitly referred to as "product oversight and governance" (POG) by the insurer or manufacturer. There are also aspects which refer to the in certain jurisdictions applicable or upcoming "Value for money" considerations in Insurance Based Investment Products (IBIPs). Attention should be given that this combination may result in hidden "price regulation" or may result in less innovation in the development of insurance products. WFII is of the opinion that already in the introduction but also in the more detailed chapters there should be given more attention to the fact that there should be made a distinction between insurance products for business/ commercial / trade and private consumer targeted products but also between IBIP's and non-life or pure risk products. In terms of methodology and examples given of measures taken by jurisdictions we believe it is necessary to "frame" better the contents of the issues paper. All together there are examples given of around 22 jurisdictions and the examples that are given under each chapter are limited to 3 or 4. In order to avoid the impression that examples were selected in function of a certain pre-defined future course of thinking for future IAIS policy work, we believe it would be useful if not necessary to attract	See also IAIS responses above B and C. The IAIS does not deem that a second public consultation is necessary on this Issues Paper, having regard to the public consultation feedback received and the nature and extent of revisions made compared to the draft version published for consultation. Only one public consultation is typical. (Refer IAIS Stakeholder Engagement and Consultation Policy, 2023)

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		the reader's attention that the measures / jurisdictions selected which illustrate possible measures are rather the "extremes". It should be explained in the issues paper what the methodology of the selection (or anti-selection) of the examples was. Does it mean that in the majority of the jurisdictions no such measures were taken because considered to be "not necessary" or not "relevant"? Or are the examples a "relevant reflection" of what is in place in the over 200 jurisdictions member of the IAIS? In the final issues paper there should also be a warning that the examples that are given by some jurisdictions should be understood in their specific context and should not be considered as a measure to be implemented or adopted as "rule of thumb" elsewhere. In some examples there are given "opinions" about the result in terms of trust or outcomes … but this is the opinion of the supervisor or authority who delivered the information and may not be shared by all market participants, academics, politicians and other stakeholders. All measures that are illustrating examples have pro's and con's and are rather recent so that the effects on the market may not yet be measured. … We would therefore respectfully suggest that the IAIS issues paper limits itself to "the facts" and deletes the "qualitative" statements provided by the contributors about the (positive or negative) effects of the measure taken (as the impact of one measure should always be seen in the context of the market and possible other measures in the market or jurisdiction and existing legislation and rules). Also we would invite the IAIS to ask the "contributors" to be more "specific and nuanced about the examples given or to include a warning that some of the examples given in the various jurisdictions are summaries and may not be detailed. One of the things that is not mentioned in the paper is the importance of competition and reputation which also contributes to the value of a product. Perhaps the paper could reflect on this aspect. We would also appreciate if throughout the paper the term distribution channel, marketing costs, administrative costs, all costs, is used instead of intermediaries and make clear that the IAIS is also (or not and in how far) covering digital models and or AI. The title of 4.4 should read "conflicts of interest management issues" rather than commission and other distribution conflicts of interest" … There may for example be an inherent conflict of interest between the insurer's policyholders and shareholders. Also this conflict of interest may need attention in a POG framework. Also in 4.4 we believe it should be mentioned as "on the other hand" intermediaries do work that otherwise needs to be done by the insurer or consumer in the consumer journey. Not every commission or remuneration of an intermediary should a-priori be qualified as a conflict of interest or a cost. The evaluation may be	

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		different in an IBIPs context than in a non-life insurance context. It may also be considered that the commission system is a no cure no pay system which helps to " mutualize " the cost of "awareness creation" for risks and may help thus in closing protection gaps. It should also be considered that marketing, advertisement (also on digital platform and or search engines) has a high cost. Commission or other remuneration systems for distributors and intermediaries need to be "considered in the framework of the overall or alternative (see in this respect, for example, the price to pay for a single click on the word "insurance" in Google Ads (Cost-Per-Click or CPC) costs related to an insurance. Within an IAIS context (international), the potential impact of the MCP protocol in an AI context can also be reflected upon. With regarding to claims ratios, we attract your attention to the insurance cover for pandemics. This coverage would have a very low claims ratio and would perhaps be flagged in a claims ratio environment as a low value while of course, since the covid pandemic, this is a different matter. It illustrates also our request to be nuanced in the issues paper. Regarding bundled sales, these products need specific attention in particular in the case of for example bundling an insurance with a mortgage (by a bank who offers both) where the clients is bound for the contract time of the mortgage to the same insurance in order to keep an interesting mortgage interest rate. There are cases where bundling could facilitate access to insurance. It all depends upon the specificities of the market and the product and the "manufacturer" and POG requirements applied and applicable distribution rules (such as cooling off period, information requirements, etc.).	
5	**Allianz SE, Germany**	Allianz welcomes the IAIS Issues Paper as a comprehensive and well-structured overview of how customer value in insurance products can be understood, assessed and safeguarded across the product lifecycle. From our perspective, the paper is well aligned with a lifecycle-based, risk-based and preventative approach to customer protection, embedded across our governance and controls. In particular, we support the emphasis on moving beyond a "buyer beware" paradigm and placing responsibility on manufacturers and distributors to ensure fair customer outcomes.	Comment noted.
6	**The Life Insurance Association of Japan**	The Life Insurance Association of Japan (the "LIAJ") appreciates the opportunity to submit our comments to the International Association of Insurance Supervisors (the "IAIS") on the draft Issues Paper on customers receiving value from insurance products. In terms of value customers receive from the insurance product, the LIAJ supports the idea of ensuring	Comment noted. See IAIS response above D and G.

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		customer value throughout the product lifecycle, from the design process to sales and policy administration, rather than placing the full responsibility on customers themselves to determine the value of insurance products. However, it would be difficult to set a uniform definition of “good consumer outcomes”, as this varies depending on product characteristics, as well as customers’ purposes for taking out the policy and the policy period, even for the same product. In light of this, the LIAJ would like the IAIS to consider adopting a flexible approach, taking into account differences in product characteristics, market conditions, and jurisdictional frameworks, rather than setting uniform definitions or standards. Also, due to its long-term nature, the value of life insurance is difficult to capture at a given point in time, and customers’ perception may change over time. Therefore, ensuring the value of insurance should not be based solely on short-term indicators, but should encompass multiple perspectives including both financial and non-financial value such as health promotion, provision of peace of mind and customer support after contracts have been concluded. Based on this, the following three factors should comprehensively be taken into consideration: (i) product design, (ii) sales and governance, and (iii) customer understanding and education. It would not be appropriate to place too much emphasis on any single factor.	
7	**APCIA, USA**	General comments on the Issues Paper The American Property Casualty Insurance Association (APCIA) includes insurers and reinsurers providing critically important coverage and risk mitigation advice to families, enterprises and nonprofit agencies in the U.S. and around the world. We appreciate the opportunity to comment. It is important to recognize that elements of insurance product design are shaped or constrained by applicable legislation, regulation, and judicial interpretation which may influence the extent to which insurers may independently determine product features and should be considered in any assessment of product value. In evaluating whether products deliver value, insurers commonly monitor customer outcomes through surveys and evaluations of customer satisfaction, and other relevant indicators, such as claims processing times or policy retention rates. Insurance markets operate under diverse legal, economic and social conditions across jurisdictions, which also influence product design, distribution and value	Comments noted. See above IAIS responses B and D.

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		perception. IAIS presenters made several key points in answers to questions during the public webinar for this consultation, that we wish to emphasize. First, that risk-based pricing continues to be acceptable. Second, that competition and solvency are elements of consumer value. Both answers are significant in that they reaffirm general supervisory goals and make clear that consumer value includes pricing based on risk and practices of insurers that advance competitive product offerings and actions insurers take to assure their solvency. Any proper assessment of products' value should take into account the full range of qualitative and quantitative features of insurance products.. Value cannot be measured solely by reference to cost or performance indicators but should also reflect the nature and extent of insurance coverage, guarantees, risk-mitigation features, services, advice, claims handling and other needs of the target market. At the same time, such an assessment should recognize insurers' ability to design products, develop commercial strategies and set prices in line with risk-based underwriting principles and market conditions. Supervisory approaches should remain risk-based and proportionate, taking into account differences across products, distribution models and national markets. Approaches that are overly prescriptive may oversimplify the assessment of value and could inadvertently constrain innovation, product availability, or the ability to meet diverse consumer needs. A flexible framework may support insurers in offering products that align with consumers' needs and objectives. In this context, it is important to recognize that the value of insurance cannot be assessed solely by reference to claims ratios or claims payments. The fundamental value of insurance lies in the transfer of risk and the financial protection it provides, including against low-frequency, high-severity events that may never result in a claim for many policyholders. In assuring solvency, insurers are able to develop and offer innovative products to meet diverse consumer needs and preferences that differ globally. In considering the value of insurance products, it is important to take into account broarder aspects of product delivery that are valuable to consumers. Countries with different cultures have different preferences that may account for product development differences. The varying levels of government safety nets for consumers also impact the overall value insurers provide in reducing risk across jurisdictions. Further discussion in the final paper of these jurisdictional and contextual factors would support a more comprehensive assessment of how insurance products deliver value across different markets.	

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8	**Institute of International Finance (IIF), USA**	The IIF and its insurance members appreciate the opportunity to comment on the IAIS Draft Issues Paper on Customers Receiving Value from Insurance Products (the "Issues Paper" or "Paper"). We support the IAIS's interest in ensuring that retail insurance customers receive meaningful value from insurance products. A well-functioning insurance market that reliably delivers on its promises to customers is fundamental to consumer trust, financial resilience, and the long-term sustainability of the sector. The IIF has previously submitted views on related topics in its response to the IAIS Draft Application Paper on Fair Treatment for a Wide Range of Customers, and a number of the themes we raised in that response, including the importance of proportionality, the primacy of risk-based pricing, and the need for principles-based supervisory frameworks that reflect local market context – are equally relevant here. In this letter, we offer suggestions as to how the IAIS could reflect these important interests in a proportionate and context-dependent manner that also preserves the commercial freedom of insurers to design, price, and distribute products in ways that reflect local market conditions and individual risk profiles. The IIF supports a flexible, principles-based approach to customer value that preserves jurisdictional discretion and limits the scope of future supervisory work to retail insurance. We ask the IAIS to reaffirm that this Paper is primarily descriptive and will not serve as a foundation for revisions to ICP 19 or new Application Papers without a separate, targeted consultation process, and to clarify that its guidance is intended to apply only to retail insurance. Wholesale business-to-business (re)insurers do not directly serve individual retail customers and should not be subject to retail-oriented value frameworks; applying retail fairness standards to commercial (re)insurance could generate serious market inefficiencies. Insurance products and their value propositions are inherently heterogeneous across product types, markets, and consumer populations, and there is no universal definition of "value for money" or "fair value" that is fit for purpose across all jurisdictions. The Paper's jurisdiction-specific examples – including the UK FCA's product governance rules and EIOPA's IBIP requirements – reflect particular market and legal contexts and should not be read as global best practices for export to all IAIS member jurisdictions. The IIF encourages the IAIS to anchor this work on the question of product suitability – whether a product meets the particular needs of the individual customer – rather than on the broader and harder-to-define question of product value. Suitability is already a key element of market conduct supervision	Comments noted. The paper now expressly indicates that it focuses principally on retail consumers. Many observations will also apply to small businesses that face comparable information asymmetries, limited bargaining power or difficulty assessing products. Observations in the paper may apply differently to larger or sophisticated commercial consumers. See also IAIS responses A, B, and D.

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		under ICP 19 and would provide a more workable, targeted, and proportionate supervisory anchor that is better aligned with the existing ICP framework. A suitability-centered approach also has the advantage of anchoring responsibility with insurers at the point of sale, where they are best positioned to understand customer needs and match products accordingly, rather than extending supervisory focus to broader questions of market-determined pricing and product design outcomes. We are concerned in this respect about the Paper's suggestion in Section 6.2 that claims ratios, viewed in isolation and without reference to other metrics, could serve as a primary supervisory indicator of product value. Claims ratios are a blunt instrument that vary legitimately across product types and risk profiles, do not capture the full value of insurance, and create perverse incentives for insurers to exit niche or underserved markets. We elaborate on this concern in our specific comments on Section 6 below. We encourage the IAIS to more explicitly weigh the access and affordability trade-offs that can arise from excessively prescriptive value requirements that are insufficiently flexible to accommodate the range of products, markets, and consumer needs across IAIS member jurisdictions, and to exercise caution in considering whether proposed interventions could exacerbate the protection gap. The IAIS has a well-established agenda around financial inclusion and the expansion of insurance coverage, and we believe this agenda is best served by ensuring that any future work in this area accounts for the risk that supervisory interventions – whether restricting product features, mandating pricing structures, or imposing compliance costs – could reduce the commercial viability of lower-margin product lines that serve lower-income, rural, or underserved populations. We also note that retail insurers have strong commercial incentives to deliver value to customers, as broadening the customer base, deepening insurance penetration, and retaining policyholders are strategic priorities in their own right, and many of the good practices highlighted in the Paper already reflect industry-led initiatives. We would welcome an explicit acknowledgment of this dynamic in any finalized paper and encourage the IAIS to calibrate any future supervisory expectations accordingly. We note that this Issues Paper arrives at a time when international regulatory bodies, including the FSB, have reaffirmed the importance of proportionality and competitiveness in the design of regulatory frameworks. We encourage the IAIS to reflect that direction in scoping this work, and in particular to resist the transposition of value-for-money frameworks developed for specific jurisdictions into a global	

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		supervisory context. Approaches that reflect particular legal, market, and institutional conditions may not translate readily or appropriately across the full range of IAIS member jurisdictions. We would welcome an explicit acknowledgment in any finalized paper that jurisdiction-specific frameworks cited as examples are illustrative only and do not represent global expectations.	
9	**General Insurance Association of Japan**	While we understand that the purpose of this Issues Paper is to identify regulatory and supervisory challenges and issues by explaining practices and examples in each jurisdiction, it is important that each jurisdiction respond in a manner that takes into account its own circumstances and characteristics, without being bound by the examples cited in this paper.	Comment noted. See IAIS response above B.
10	**Conference of European Bancassurers (CEB), European Union**	The Conference of European Bancassurers (CEB) welcomes the opportunity to provide comments on the "Draft-issues-paper-on-customers-receiving-value-from-insurance-products" and expresses its strong support for the overarching objective of ensuring that insurance products deliver meaningful and appropriate value to customers. The CEB fully shares the view that a sound and robust value proposition is essential for consumer protection, for the credibility of the insurance sector, and ultimately for the long-term sustainability of insurance markets. At the same time, the CEB considers that the current formulation of the paper would benefit from a more balanced, evidence-based and context-sensitive approach, capable of reflecting both the challenges identified and the fundamentally positive role that insurance plays in delivering value across jurisdictions. A central concern relates to what appears to be a systematic overemphasis on potential shortcomings, alongside an insufficient recognition of the reality that, in general terms, insurance products worldwide provide adequate and often substantial value for money. While the paper correctly identifies that certain situations may lead to suboptimal outcomes, the CEB considers that the analysis tends to generalise from isolated, exceptional or context-specific cases. In practice, when assessed against the scale of global insurance markets—whether in terms of the number of contracts or the volume of premiums—the situations described represent a very limited and non-systemic share of the market, and should be presented as such. Failure to provide this context risks conveying a misleading impression of systemic issues, which is not supported by available evidence. In addition, the CEB considers it essential to draw a clear and explicit distinction between genuinely low-value situations and cases of fraud, misconduct or breach of contractual obligations. The paper frequently refers to examples that, upon closer analysis, fall within the scope of non-compliance or malpractice, rather than reflecting inherent weaknesses in insurance products. These "zero-value"	Comments noted. As for the comment on including more positive aspects of insurance, while this aspect has been taken into account in the revised version of the paper, the main objective of the paper remains to enhance understanding of the importance of insurance products delivering meaningful value to customers and of ways to achieve this. As for the suggestion of explicitly distinguishing between examples of genuinely low value situations and cases of misconduct or fraud, all examples have been retained and to specific

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		situations require fundamentally different policy responses, typically involving enforcement measures, judicial remedies and strengthened anti-fraud controls, rather than broader supervisory conclusions on value for money. Conflating these categories risks distorting both the analytical framework and the subsequent policy implications, and may inadvertently lead to overly interventionist or misdirected supervisory responses. The CEB also considers that the paper places undue emphasis on value for money as a primary driver of consumer trust and insurance uptake, a premise that is not supported by empirical evidence. As highlighted in the following comments, multiple data sources consistently show that the main determinants of insurance demand are income levels, affordability, financial literacy, risk awareness, risk aversion and public policy incentives, rather than consumer perceptions of value in isolation. The assumption of a direct causal link between value for money, trust and market penetration risks oversimplifying a complex reality and may lead to misidentification of the most effective policy levers. In particular, enhancing financial education, improving affordability and strengthening trust through effective claims handling are likely to have a far greater impact on consumer outcomes than an exclusive focus on value metrics. A further important point concerns the intrinsic nature of insurance value, which differs fundamentally from that of other financial or consumer products. Insurance is based on a forward-looking promise of protection, the value of which is inherently probabilistic and often not observable at the individual level. This has two key implications. First, a large proportion of policyholders—particularly in low-frequency, high-severity insurance—will not experience a claim and may therefore perceive limited value, even though the product delivers significant value from a collective perspective. Second, this characteristic makes it inherently difficult to measure value solely on the basis of simple or standardised quantitative indicators, such as claims ratios. The CEB therefore considers that the paper places excessive reliance on such indicators, despite the evidence—acknowledged in the paper itself—that they are poorly understood by consumers and may not meaningfully support their decision-making. A more balanced framework should explicitly recognise these limitations and incorporate qualitative, service-related and behavioural dimensions of value, including customer experience and ongoing service delivery. In this context, it is essential that value assessments do not treat biometric risk premiums as mere “costs”, particularly in products combining investment, savings and protection components. These premiums finance genuine insurance protection and are therefore an integral part of the value delivered to customers. Products that include biometric coverage may appear more expensive when compared	distinction has been made as they refer to shortcomings that affected a mass spread of customers and a whole product category/product line, thus capable of affecting overall value for consumers. A sentence has been added on this aspect, noting that characteristics or incidents that risk diminishing the value of insurance can arise from misconduct. See also IAIS responses above C and D.

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		to products without such protection; however, this difference does not imply lower value, but rather reflects the additional protection embedded in the contract. Any robust assessment of value for money should therefore capture this dimension and consider the overall value proposition, rather than focusing narrowly on price comparisons. Similarly, the CEB stresses that assistance and service elements form an essential component of value creation in insurance and should be adequately reflected in the analytical framework. Claims support, customer assistance, simplified processes, flexibility, and ongoing servicing are highly relevant for policyholders and often constitute key determinants of satisfaction and trust. These elements are not easily captured by traditional quantitative indicators but are central to how customers experience and evaluate the value of insurance over time, and therefore should not be overlooked in favour of purely financial metrics. Closely linked to the above, the CEB would underline that the most decisive driver of perceived value for consumers is the quality of claims handling, including the speed, fairness, transparency and simplicity of the process. This “moment of truth” is when the insurance promise materialises and is therefore central to consumer trust and satisfaction. Supervisory and analytical frameworks should give greater prominence to these aspects, rather than focusing predominantly on ex ante product characteristics or cost metrics. The CEB also considers that the treatment of distribution models and commercial practices, particularly bancassurance, cross-selling and bundled offerings, lacks balance and does not adequately reflect their positive contribution to value creation and financial inclusion. These models play a crucial role in making insurance more accessible, more affordable and more relevant to consumers by embedding protection within broader financial relationships and responding to concrete needs at specific decision points. In many cases, they stimulate demand that would not otherwise arise, due to low levels of risk awareness or engagement, and therefore contribute directly to reducing protection gaps. While potential risks exist, these should be addressed through proportionate measures focused on transparency, disclosure and consumer empowerment, rather than through restrictive approaches that may ultimately reduce access to insurance. The ongoing digital transformation of the sector is further strengthening transparency and improving consumer understanding, mitigating many of the concerns historically associated with these practices. More broadly, the CEB emphasises that consumer decision-making in insurance is inherently behavioural and multi-dimensional, and cannot be fully understood through a narrow economic or	

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		metric-based lens. Consumers do not make decisions based solely on an objective assessment of value; instead, factors such as trust, convenience, proximity, and existing relationships with distributors play a central role. This highlights the importance of adopting a behaviourally informed approach, both in the analysis and in the design of supervisory interventions. From a supervisory perspective, the CEB fully supports the objective of ensuring fair consumer outcomes, but reiterates that supervisory action should complement, rather than replace, market dynamics and consumer choice. Competitive markets, combined with robust conduct and governance requirements, remain the primary mechanisms for ensuring that insurance products deliver value. Attempts to define value in overly prescriptive or standardised terms risk reducing product diversity, constraining innovation and limiting access to coverage, particularly for more complex or higher-risk segments. Supervisory approaches should therefore remain proportionate, evidence-based and flexible, reflecting the diversity of products, distribution models and consumer needs. Finally, the CEB wishes to highlight the potential unintended consequences of the overall tone and positioning of the document. As a publication issued by supervisors, the paper carries significant weight and may influence both consumer perceptions and market expectations. A narrative that places disproportionate emphasis on risks and shortcomings, without adequately reflecting the overall positive performance of insurance markets, may inadvertently undermine consumer trust, thereby discouraging insurance uptake. This would be contrary to the stated objectives of enhancing consumer protection and improving financial resilience. In light of the above, the CEB respectfully encourages the IAIS to consider a comprehensive review of the document's positioning, with a view to ensuring a more balanced, evidence-based and confidence-enhancing narrative. This should include a clearer recognition that insurance, as a whole, delivers substantial and appropriate value for money, that the issues identified are largely isolated and non-systemic, and that effective policy responses should focus on targeted measures addressing specific risks, while preserving the strengths of well-functioning insurance markets. Such an approach would not only strengthen the analytical robustness of the paper but also contribute to maintaining and enhancing consumer trust, market stability and the societal role of insurance.	
11	**France Assureurs, France**	Providing value for money (VfM) is a priority for the insurance industry: insurers continually strive to develop products that best meet the expectations and evolving needs of consumers, as well as changing market conditions. Consumer outcomes and satisfaction are essential to the success of any insurer, and a necessary condition to stay ahead of the curve in a competitive market.	Comments noted. See IAIS response above D.

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		France Assureurs believes that any proper assessment of products' value should follow a holistic approach considering the full range of qualitative and quantitative features of insurance products. Value cannot be measured solely by reference to cost or performance indicators or other simplistic metrics but should also reflect the nature and extent of insurance coverage, guarantees, risk-mitigation features, services, advice, claims handling and other needs of the target market. At the same time, such an assessment should respect manufacturers' freedom to design products, develop commercial strategies and set prices in line with risk-based underwriting principles and market conditions. France Assureurs also recommends that any supervisory approach should remain risk-based and proportionate, with due regard to the differences between products, distribution models and national markets. Insurance markets operate under diverse legal, economic and social conditions across jurisdictions, which also influence product design, distribution and value for the consumer objective. A one-size-fits-all approach would risk oversimplifying the assessment of value and could unduly constrain product quality, innovation and availability. Instead, it is crucial to have an agile and proportionate approach to supervision, so that insurers are able to do business, offer products that best meet consumers' needs and objectives and play their role in supporting societal resilience and contributing to economic stability. Value should also be assessed over the entire lifecycle of the product, as well as over time, particularly for long-term products such as life, savings and retirement products. At European level, the design and distribution of insurance products are already subject to a comprehensive and well-developed regulatory and supervisory framework which already ensures a high level of consumer protection and provides supervisors with appropriate tools to intervene where necessary, based on the EU Insurance Distribution Directive (IDD) and its Product Oversight and Governance (POG) rules, as well as EIOPA's Supervisory Statement and its methodology on Value for Money Benchmarks for unit-linked and hybrid products and the forthcoming Retail Investment Strategy (RIS) rules for Insurance-Based Investment Products (IBIPs). In France, we also have already implemented a Value for Money framework tailored to the IBIPs market. It has been calibrated to consider the specific features of insurance products, considering the product's overall value proposition as well as the mandatory advice to customers. Life insurance is one of the most important long-term savings solutions available to individual investors. In France, it remains the preferred financial savings product thanks to its unique combination of security, flexibility, tax efficiency, and benefits. The French life insurance market represents more than €2.1 trillion in assets	

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		under management, making it a cornerstone of household savings and a major source of long-term financing for the economy.	
12	**GDV e.V. Germany**	We welcome the opportunity to comment on the draft paper. GDV agrees that customers should receive value from their insurance products. We believe that the best way to achieve this objective is a competitive market, where different providers strive to convince the consumer of their product. This market should be framed by consumer protection regulation which encourages product innovation and which enables consumers to select the product which best suits their needs. Important consumer protection requirements are: • Product information which is suited for its purpose. It is important that the information is accurate, concise and designed to be noted, read and understood by consumers. Excessive information requirements lead to an information overload, the result of which is that the consumer will not take notice of the information at all. The same applies to information requirements which do not leave room to adapt the content to the specific product. Experience shows that standardizing information using a one-size-fits-all approach does not lead to comprehensible and consumer-friendly results. • Professional advice which is accessible to everyone. Both fee-based advice and commission-based advice have advantages to them, depending on the situation and the consumer in question. The commission-based model is often more cost-effective, particularly regarding smaller premiums. In particular for financially vulnerable or low-income customers, fee-based advice poses a barrier, effectively keeping them from making necessary provisions (“advice gap”). Potential conflicts of interest related to commission payments can be effectively prevented through regulatory requirements – in the EU the Insurance Distribution Directive – and effective internal governance. • Competition law: in the EU, the Directive on Unfair Marketing Practices prohibits any misleading or aggressive practices, be it product information, advertising or distribution practices. The provisions are enforced by supervisory authorities and, in Germany for example, notably through civil procedures filed by consumer protection organisations. • Rules on product oversight and governance (POG): According to these rules, manufacturers must establish internal processes to ensure that only products are distributed, which are suitable for their target market. The same applies to the distribution channels which are employed. These internal processes must also consider the value of the product. If, for example, product costs are so high that the product does not fulfil its purpose, it should not be marketed. However, POG-rules are not a basis for price control by supervisory authorities. If a product is expensive but still fit for purpose, POG is fully	Comments noted. See IAIS response above A and C.

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		complied with. • General clauses prohibiting evidently unfair treatment of customers: In the EU, all insurance intermediaries and manufacturers are required to act honestly, fairly and professionally in accordance with the best interests of their customer when carrying out insurance distribution activities. Contrary to appearances, the clause does not provide supervisory authorities with a mandate to regulate products and business conduct at will. The rule prohibits conduct which is evidently unfair beyond the principles of market economy, for example where weaknesses of vulnerable customers are deliberately exploited to their disadvantage. Compliance with these requirements should be monitored and enforced by supervisory authorities in an effective and proportionate way. In the EU and in Germany, supervisors have extensive powers to this effect. In the application of these powers, supervisory authorities should bear in mind the following points: • Interventions by supervisory authorities should focus on identifying and preventing breaches of consumer protection regulation. This is essential for the protection of consumers and also for the healthy functioning of the market. Nonetheless, the tasks of product design and product pricing should remain with market participants. The pursuit of fairness should not lead supervisory authorities to limit the product design and pricing in such a way that only little leeway remains for manufacturers. Ultimately, a diverse and innovative market is key to achieving good outcomes for consumers. • It is essential that supervisory authorities ensure that the measures taken by them to monitor and to enforce consumer protection regulation are proportionate. Extensive reporting obligations on possible indicators create significant administrative burden and expenses for insurers which ultimately add to the cost of the product and lessen its value for the customer. Instead, supervisory authorities monitoring business conduct should follow a stepped approach: Less burdensome tools – such as consumer complaints to the supervisor, dialogue with consumer protection organisations or dispute settlement bodies – should be used to identify high risk cases. These cases should then be followed up in depth. • The reality in practice is very heterogenous. One-size-fits-all indicators cannot by themselves provide a reliable basis for supervisory assessments. The insurance products offered on the market are diverse, as are the risks which are insured. Indicators which may provide valid insights in one particular case may be misleading in others. E.g., figures on claims ratio, claims processing time but also the number of complaints vary depending on the type and the occurrence of damage. For example,	

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		extreme natural events, such as torrential rain or hail will cause considerable fluctuations in all of these figures, not least due to limited availability and increase in prices of materials and experts. Some particular products may be more concerned by an event than others. Complex cases take more time to be dealt with than more straightforward cases. • The assessment should not be reduced to numerical indicators. All relevant qualitative aspects should be considered. For example, with regard to savings products, factors such as quality of investments, and access to alternative assets, guarantees, lifetime annuity options, or sustainability considerations could be taken into account. • Specifically on the subject of pricing, it is important to bear in mind that price differentiation is at the heart of private insurance. Private insurance only works when customers with different risk profiles are priced differently. Only when an insurer can adjust the premium and/or the benefit depending on the particular risk, it is possible to balance premiums and payouts for all policyholders collectively.	
13	**GCAF - Groupe des contrôleurs d'assurance francophones, Various jursidictions**	(a) The GCAF —Groupe des contrôleurs d'assurance francophones, French-speaking insurance supervisors group— brings together insurance supervisors that use French as a working language (among possible others). GCAF Members are mainly based in Africa, North America and Europe. The GCAF favors the dissemination of international standards —in particular IAIS standards— and best supervison practices among its members, while ensuring that language barriers do not hinder mutual understanding. Each year the GCAF holds, as a minimum 3 virtual meetings and 1 in-person seminar lasting 2–4 days. As is often the case with such groups or associations, the comments below may not reflect the complete consensus of all members of GCAF; nor are they intended to replace the individual comments of any GCAF member. Notwithstanding, all received suggestions were duly considered, and the comments below were approved by a majority. (b) The GCAF thanks the IAIS, and in particular the Market Conduct Working Group (MCWG), for taking the initiative to issue this important Issues Paper (IP). The vast majority of the findings in this IP are very widely shared among GCAF Members. A number of GCAF members, however, would recommend placing even greater emphasis on the fairness of premium redistribution to policyholders (the claims / loss ratio in non-life insurance, or its equivalents in life insurance). This will be further detailed below.	Comments noted. Greater terminology consistently has been introduced across the paper.

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		(c) A general non-substantive, terminology comment is that consistency could perhaps be improved here and there. For example, the terms “insurance companies” and “insurers” seemed to be used interchangeably, including sometimes on a same page, in a same paragraph or even under a same bullet point (see boxed text under §35); however, they seem to refer to the same thing. To maintain consistency with the terminology used in the ICPs, including under submissions from stakeholders, it is suggested that the term “insurer” be used consistently. Similarly, “non-life insurance / insurers” should be preferred to “general insurance / insurers”. Generally speaking, consistent terminology makes the reading of the paper easier, in particular to non-native speakers. We may further refer to this below.	
14	**The Geneva Association, International**	The Geneva Association appreciates the IAIS’s focus on customer outcomes, public trust and the societal value of insurance. We support the paper’s objective of improving understanding of how insurance products can deliver meaningful value to customers. At the same time, the final paper should more clearly preserve the descriptive character of an Issues Paper, avoid language that could be read as creating de facto new supervisory expectations, and acknowledge that value is context-specific, multi-dimensional and shaped by product type, customer segment, jurisdiction and market structure.	Comment noted. See IAIS responses A and C.
15	**Insurance Europe, Europe**	Providing value for money (VfM) is a priority for the insurance industry: insurers continually strive to develop products that best meet the expectations of consumers, as well as changing market conditions. Insurers aim to continuously adapt products to evolving consumer needs, including retirement, health and climate-related risks, while ensuring long-term sustainability and resilience of the insurance sector. Consumer outcomes and satisfaction are essential to the success of any insurer, and a necessary condition to stay ahead of the curve in a competitive market. Insurance Europe believes that any proper assessment of products’ value should follow a holistic approach taking into account the full range of qualitative and quantitative features of insurance products. Value cannot be measured solely by reference to cost or performance indicators or other simplistic metrics, but should also reflect the nature and extent of insurance coverage, guarantees, risk-mitigation features, services, advice, claims handling and other needs of the target market. At the same time, such an assessment should respect manufacturers’ freedom to design products, develop commercial strategies and set prices in line with risk-based underwriting principles and market conditions.	Comments noted. See IAIS responses C and D.

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		The EU stands out as a geography where consumer protection and conduct of business regulation are already very robust and where the reflection on value for money is well advanced. The design and distribution of insurance products are already subject to a comprehensive and well-developed regulatory and supervisory framework, based on the EU Insurance Distribution Directive (IDD) and the Product Oversight and Governance (POG) rules, as well as EIOPA's Supervisory Statement and Methodology to assess VfM in the unit-linked market, EIOPA's revised benchmarking methodology for unit-linked and hybrid products and the forthcoming Retail Investment Strategy (RIS) rules for Insurance-Based Investment Products (IBIPs). The existing framework is providing a high level of consumer protection, and, most importantly, is already enabling national competent authorities (NCAs) to have adequate powers and supervisory tools to intervene where necessary. Ultimately, however, product design and pricing should be determined by a competitive market, and not by supervisory authorities. A competitive market for insurance products is good for consumers. In the early 1990s, the European legislator made a conscious decision for a liberalisation of the private insurance market and against authorisation of products by the supervisory authorities. It has stood by this decision with the creation of the Solvency II Directive. The Regulation on POG (under IDD and its Delegated Acts) requires manufacturers to ensure that products meet the needs and objectives of the respective target market. This includes the consideration that the costs of the product should not make the product unsuitable for the consumer. Furthermore, products should not exploit consumers' weaknesses. Supervisory authorities have extensive powers to identify and remove products from the market which do not comply with these requirements. However, within these limits, product design and pricing should remain with the manufacturer. The fact that a broad range of products are present on the market (cheaper and more expensive products) is a sign of healthy competition. Insurance Europe also recommends that any supervisory approach should remain risk-based and proportionate, with due regard to the differences between products, distribution models and national markets. Insurance markets operate under different legal, economic and social conditions across jurisdictions, which also influence product design, distribution and value perception. A one-size-fits-all approach would risk oversimplifying the assessment of value and could unduly constrain product quality, innovation and availability. Instead, it is crucial to have an agile and proportionate approach to supervision, so that insurers are able to do business, and offer products that best meet consumers'	

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		needs and objectives. Value should also be assessed over time, and based on the entire lifecycle of the product, particularly for long-term products such as life, savings and retirement products.	
16	**Global Federation of Insurance Associations (GFIA), International**	GFIA appreciates the opportunity to comment. Insurers seek to provide value across their product offerings. We hope this work inspires thoughtful leadership on closing gaps in retirement and consumers' understanding around products that meet their risk profiles such as employment-related supplemental benefits and property and casualty risks. Insurers aim to continuously adapt products to evolving consumer needs, including retirement, health, and property and casualty risks, while ensuring long-term sustainability and resilience of the insurance sector. It is important to recognise that in some cases elements of insurance product design are shaped or constrained by applicable legislation, regulation, and judicial interpretation which may influence the extent to which insurers may independently determine product features and should be considered in any assessment of product value. In evaluating whether products deliver value, insurers commonly monitor customer outcomes through surveys and evaluations of customer satisfaction and other relevant indicators, such as claims processing times or policy retention rates. Insurance markets operate under diverse legal, economic and social conditions across jurisdictions, which also influence product design, distribution and value perception. IAIS presenters made several key points in answers to questions during the public webinar for this consultation, that we wish to emphasize. First, that risk-based pricing continues to be acceptable. Second, that competition and solvency are elements of consumer value. Both answers are significant in that they reaffirm general supervisory goals and make clear that consumer value includes pricing based on risk and practices of insurers that advance competitive product offerings and actions insurers take to assure their solvency. The EU is an example of a jurisdiction where consideration of value for money is already well advanced within a comprehensive regulatory and supervisory framework. The design and distribution of insurance products are already subject to a regulatory and supervisory framework, which already ensures a high level of consumer protection established requirements, including providing supervisors	Comments noted. See IAIS responses above B, C and D.

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		with appropriate tools to intervene where necessary: the EU Insurance Distribution Directive (IDD) and the Product Oversight and Governance (POG) rules, as well as EIOPA's Supervisory Statement, EIOPA's Methodology to assess VfM in the unit-linked market, EIOPA's revised benchmarking methodology for unit-linked and hybrid products and the forthcoming Retail Investment Strategy (RIS) rules for Insurance-Based Investment Products (IBIPs). This framework supports a high level of consumer protection and provides national competent authorities (NCAs) with a broad set of powers and tools to monitor product performance and market practices and to intervene where necessary. Any proper assessment of products' value should take into account the full range of qualitative and quantitative features of insurance products. Value should also be assessed over the entire lifecycle of the product, as well as over time, particularly for long-term products such as life, savings and retirement products. Value cannot be measured solely by reference to cost or performance indicators but should also reflect the nature and extent of insurance coverage, guarantees, risk-mitigation features, services, advice, claims handling and other needs of the target market. At the same time, such an assessment should recognise insurers' ability to design products, develop commercial strategies and set prices in line with risk-based underwriting principles and market conditions. Supervisory approaches should remain risk-based and proportionate, taking into account differences across products, distribution models and national markets. Approaches that are overly prescriptive may oversimplify the assessment of value and could inadvertently constrain innovation, product availability, or the ability to meet diverse consumer needs. A flexible framework may support insurers in offering products that align with consumers' needs and objectives. In this context, it is important to recognise that the value of insurance cannot be assessed solely by reference to claims ratios or claims payments. The fundamental value of insurance lies in the transfer of risk and the financial protection it provides, including against low-frequency, high-severity events that may never result in a claim for many policyholders. In assuring solvency, insurers are able to develop and offer innovative products to meet diverse	

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		consumer needs and preferences that differ globally. In considering the value of insurance products, it is important to take into account broader aspects of product delivery that are valuable to consumers. Countries with different cultures have different preferences that may account for product development differences. The varying levels of government safety nets for consumers also impact the overall value insurers provide in reducing risk across jurisdictions. Further discussion in the final paper of these jurisdictional and contextual factors would support a more comprehensive assessment of how insurance products deliver value across different markets. Life insurance is one of the most important long-term savings solutions available to individual investors. In France, it remains the preferred financial savings product thanks to its unique combination of security, flexibility, tax efficiency, and benefits. The French life insurance market represents more than €2.1 trillion in assets under management, making it a cornerstone of household savings and a major source of long-term financing for the economy. For example, in France, a Value for Money (VfM) framework has already been implemented, tailored to the life insurance market. It has been calibrated to consider the specific features of insurance products, considering the product's overall value proposition as well as the mandatory duty to provide advice and guidance to customers.	
17	**International Actuarial Association (IAA), International**	The IAA welcomes the Issues Paper, as it provides examples of good practices in the supervision of value for money and also sets expectations for supervisory authorities. However, IAA notes that the division of responsibilities among different bodies — such as supervisory authorities, consumer protection agencies, Financial Ombudsman Bureaus, and courts — limits the powers of supervisory authorities. IAA also notes that individual legal frameworks may restrict the ability of supervisory authorities to take action against insurance companies. While specific insurance contract acts or similar provisions provide important protections for policyholders, they may also limit the extent to which insurance supervisors can interpret insurance policies. The IAA has noted that the examples given from different countries overlap and could be edited. The IAA has focussed on issues not yet included in the paper. We note that competition plays a significant role in price formation. In closed markets, competition does	Comments noted. See IAIS response above C.

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		not function, and insurance prices may therefore be high. On the other hand, particularly in the case of IBIPs (Investment Based Insurance Products), insurance companies compete, for example, with banks and investment funds. There are some examples on competition issues in Paragraph 8. The issues paper does not address the question of bonus distribution which we have commented in Paragraph 8.	
18	**CNP Assurances**	As a leading international insurer and responsible long-term institutional investor operating in 17 countries across Europe and Latin America, CNP Assurances manages more than €420 billion in assets on behalf of millions of policyholders and beneficiaries. Our experience across diverse markets reinforces our conviction that the assessment of Value for Money must adopt a holistic and long-term perspective. Beyond costs and performance, the value of insurance products also lies in the guarantees they provide, the advice and support offered to customers, the protection they afford against life's uncertainties and their contribution to long-term financial security, retirement preparedness and sustainable economic development. CNP Assurances fully supports the response submitted by France Assureurs and shares the key principles and recommendations set out therein. In particular, we strongly endorse the view that any assessment of Value for Money (VfM) should adopt a holistic approach, taking into account the full range of qualitative and quantitative characteristics of insurance products, and that supervisory approaches should remain risk-based, proportionate and respectful of national market specificities. As one of France's leading life insurers, CNP Assurances would like to emphasize the specific contribution of life insurance to long-term savings, retirement preparedness and financing of the economy. In France, life insurance remains the preferred savings vehicle for households, representing more than €2.1 trillion in assets under management. Its success stems from a combination of long-term investment opportunities, guarantees, risk-sharing mechanisms, advisory support and flexibility adapted to changing consumer needs. CNP Assurances also notes that the French market has already developed a Value for Money framework tailored to the specific characteristics of insurance-based savings and retirement products. This framework rightly takes into account not only costs and performance, but also broader elements of value such as guarantees, advice, customer support, claims management and long-term consumer outcomes.	Comments noted.

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		More generally, we believe that value should be assessed over the entire lifecycle of a product and over an appropriate time horizon, particularly for long-term products such as life insurance, retirement and savings solutions. Focusing excessively on short-term quantitative indicators could lead to an incomplete assessment of the value delivered to consumers and may fail to capture the long-term benefits associated with these products. We further share France Assureurs' view that the European regulatory and supervisory framework already provides a high level of consumer protection. The combination of the Insurance Distribution Directive (IDD), Product Oversight and Governance (POG) requirements, EIOPA's supervisory tools and the forthcoming Retail Investment Strategy (RIS) framework already equips supervisors with robust instruments to address potential consumer detriment where necessary. Finally, while ensuring strong consumer protection remains essential, product design, innovation and pricing should continue to be primarily driven by market forces and consumer needs. Preserving insurers' ability to develop innovative solutions is particularly important in a context where consumers face growing challenges related to retirement adequacy, health expenditure, demographic ageing and climate-related risks. A competitive and innovative insurance sector remains a key contributor to consumer welfare, financial resilience and long-term investment in the European economy.	
19	**American Council of Life Insurers (ACLI), USA**	ACLI would like to thank the IAIS for their work on this important work to address value in the insurance sector and to support consumers' insurance decision-making. ACLI supports steps to reduce the protection gap and would like to contribute to the discussion by offering examples of how the US life insurance industry is contributing to the fair value of insurance in the US. In 2024, life insurance companies paid out $88.5 billion in life insurance benefits, $109.8 billion in annuity benefits, $10 billion in long-term care claims, and $20.8 billion in disability income payments in 2024. It is through these benefits that US life insurers are producing value for consumers. ACLI supports the IAIS's goal of further improving market penetration of insurance. 90 million American families depend on life insurers to help them build a financial safety net that protects them through all stages of life and as many as 56% of households in the US have life insurance coverage as of 2022. Overall, about half of American adults report owning life insurance. 40% of American adults – representing close to 100 million people – say they need (or need more) life insurance. Closing that gap requires empowering insurers and jurisdictions with tools to meet gaps in protection given that life insurance and related offerings by life insurers are voluntary in the U.S. ACLI supports the IAIS's objective of promoting fair customer outcomes and consumer protection. At	Comments noted. See IAIS responses above A and B.

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		the same time, ACLI encourages the IAIS to avoid moving from an issues-based discussion toward a prescriptive global framework for assessing insurance "value" or "value for money." Insurance value is inherently multi-dimensional and context-specific, and supervisory approaches should preserve jurisdictional flexibility, product innovation, risk-based pricing, affordability, consumer choice, and access to insurance. US life insurers have worked with their supervisors, other stakeholders, and consumers to achieve record high life insurance sales [MW1.1]in 2025. Life insurers play a critical role in providing financial protection and long-term security to consumers, offering products that help households manage economic risks associated with life events—such as welcoming a new child, recovering from a disabling injury, or coping with the loss of family members, supporting their financial resilience and stability.	
Comments on the Executive Summary			
20	**National Insurance Commission, Abuja Nigeria**	This speaks to the usefulness of insurance products at the material time when its appreciation is measured. Intending consumers need sufficient information to provide seamless alignment between value of what is being offered to consumer and their expectation of what it truly serves. Supervisors need to strengthen supervisions that close the gap between insurance consumers' expectation and the true worth of insurance product they are being offered, in order to entrench fair trade practices, boost market trust and insuring public confidence in the insurance industry as part of market conduct guidelines requirements. Much as the intangible nature of insurance product might make immediate assessment of its value difficult, the tendency to not read the policy terms, provisions and features of the product is high among policyholders due to biased nature, thereby contributing to the factors that heightened mistrust or disputes at the point of claims. Supervisory requirements should include actions that alleviate challenges for insurance consumers in evaluating value. In the same vein, the market conducts provisions should discourage trade practices that diminish insurance product value. It is imperative to create atmosphere of transparency around sales and claims service, so as to increase value of the product to the consumers. The supervisors must adopt an approach that aligned with individual jurisdictional experience and the insurance players must be guided the laid down	Comments noted.

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		approach. In Nigeria as an instance, the mistrust largely originates at point of sales where unrealistic expectations, largely different from product features, are created by some intermediaries, coupled with tendency of the insuring public members to not read their policy document to confirm what they are being offered. So, supervisor can develop regulatory tools to manage the behaviours and conducts of all parties in addressing expectation gap and factors that diminish value of products.	
21	**Brenda Cude University of Georgia, USA**	I especially find this statement to be meaningful: "Viewed in its entirety, the paper suggests that depending entirely on a “buyer beware” approach, which places the full responsibility on consumers to avoid low-value insurance products, may not be fair or effective." While this seems to be intended as a summary statement, I wonder if this point could be stated more explicitly in the body of the paper. The second paragraph ends with "minimising the risk of sales that do not align with customers’ interests and needs." This may be true but it is complicated by the fact that many consumers may not be interested in insurance or know what insurance coverage they need. Under the first bullet in the "Challenges for consumers in evaluating value" I suggest you could add the difficulty of accurately assessing risk. In the section on "Factors that minimize value" I think the first statement might more accurately be written as "When consumers' insurance needs do not align well with the product benefits the result may be insurance with low value to the consumer," Regarding the last line in this section, I agree that these factors can erode consumer trust. I think one could read this as indicating the factors reduce value because they erode consumer trust and I don't think that it what is intended.	See IAIS response M on overall balance in the paper. Some suggested editorial refinements within the Executive Summary have been made to clarify meaning.
22	**Allianz SE**	Allianz appreciates the clear elaboration on the barriers faced by consumers in evaluating value and on the factors that influence the value of insurance products, including the opportunities to enhance value. We agree with the Executive Summary’s conclusion that customer value cannot be ensured through disclosure alone and that product design, governance, pricing, distribution and post-sale services are equally decisive. This mirrors our ambition to define customer detriment risks across the entire product lifecycle and requires proactive identification, monitoring and mitigation of such risks.	Comments noted.

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23	**APCIA**	While providing an executive summary is a useful innovation, we ask that readers be advised to consider the entire document. We also ask that the substance of the Executive Summary be revised to reflect accepted comments through the consultation process. The Executive Summary provides a useful overview of the challenges in assessing the value of insurance products and highlights the importance of fair treatment and appropriate customer protection. It may be helpful to further emphasize that value should be assessed holistically, considering product design, coverage, and risk transfer, rather than relying on a limited set of metrics. It may also be beneficial to highlight that supervisory approaches should remain risk-based and proportionate, reflecting differences across jurisdictions, products, and distribution models.	The IAIS considers it is not necessary to advise readers that they should read the full paper, and not only the Executive Summary, if they want to understand the full details of the work. It is common knowledge. Some of these suggestions are reflected in edits made in the Executive Summary.
24	**General Insurance Association of Japan**	It should be clarified whether the term "claim ratios" mentioned in the text refers to the same concept as "loss ratios", which are commonly used in the non-life insurance industry, for example. (The same applies to Sections 2, 3, 5, 6, etc.)	Actioned by footnote in the Executive Summary and at section 6.2.
25	**Conference of European Bancassurers (CEB)**	The CEB welcomes the opportunity to provide feedback on the IAIS Draft Issues Paper and fully supports the overarching objective of ensuring that insurance products deliver appropriate value to customers. A robust value proposition is essential for consumer protection and constitutes a cornerstone for the long term sustainability of the insurance sector. At the same time, the CEB considers that the Executive Summary would benefit from a more balanced and evidence-based approach, avoiding generalizations that may inadvertently undermine confidence in insurance markets (see comments on all sections) The CEB believes there is a fundamental misconception in the document, as it considers poor value for money to be a primary cause of consumer confidence and, consequently, their propensity to purchase insurance. However, all statistics demonstrate that there are far more important factors that determine consumers' propensity to purchase insurance, and therefore the level of development of insurance markets. These factors, in order of importance, are: consumer income levels, government incentives, risk awareness, risk aversion, financial literacy and the absence of insurance related frauds or scams.	See IAIS responses B, D,F and M.

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		1. On the assessment of consumer ability to evaluate value The paper rightly highlights the complexity faced by consumers in assessing insurance value. However, the CEB emphasises that: • In certain types of insurance—particularly low-frequency, high-severity risk products—it may be inherently difficult, if not impossible, for individual customers to assess value ex ante or even ex post, given that most policyholders will not experience a claim. • Consequently, individual perception of value should not be equated with objective value delivered, as measured by aggregate indicators such as claims ratios. Moreover, the intrinsic complexity of insurance products reflects necessary trade-offs: simpler products with fewer exclusions tend to entail higher premiums, which should be more explicitly acknowledged in the Executive Summary. 2. On the interpretation of value drivers and consumer outcomes While the paper identifies several factors that may diminish value, the CEB considers that the analysis: • Places disproportionate emphasis on negative aspects without sufficiently recognising the structural features of insurance markets and the diversity of product types. • Does not adequately reflect that customer perception of value is strongly influenced by claims experience and claims handling quality, rather than by price or aggregate metrics alone. In particular, it is important to underline that the primary value of insurance lies in protection against risk, which is inherently difficult to quantify and may not be immediately observable to consumers. 3. On supervisory approaches and evidence base The CEB supports the recognition of a spectrum of supervisory tools. However, it is essential that: • Supervisory conclusions are grounded in robust and independent evidence, avoiding reliance on circular references or assessments based primarily on supervisory perceptions without sufficient empirical substantiation. • A clear distinction is made between: o Low-value products, and o Fraudulent practices or breaches of contract, which should be treated as separate issues requiring different regulatory and enforcement responses. Blurring these categories risks mischaracterising isolated misconduct as systemic market failure.	

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		4. On the role of supervision and market functioning The CEB stresses that: • Supervisory intervention should complement, not replace, consumer choice and market dynamics. • A well-functioning competitive market, combined with proportionate product governance requirements, remains the primary mechanism ensuring fair pricing and value delivery. Furthermore, the Executive Summary should better acknowledge that financial literacy, affordability, and public policy incentives are key determinants of insurance uptake, often more significant than perceived value for money. 5. On tone and potential unintended effects Finally, the CEB is concerned that the overall tone of the Executive Summary: • May convey an overly negative perspective on insurance products, • And could therefore risk undermining consumer trust and confidence, contrary to the stated objectives of the IAIS. A more balanced presentation—recognising both challenges and the substantial societal benefits of insurance—would strengthen the credibility and effectiveness of the paper.	
26	**National Association of Insurance Commissioners (NAIC) (USA)**	Suggest adding an additional bullet to the section on "Supervisory approaches to value" that reflects measuring an insured's policy surrenders as a way supervisors assess value.	The benefit of insurers monitoring surrender rates as one indicator relevant to monitoring overall product performance and suitability for consumers is addressed within section 5.3. However, examples were not submitted by supervisors for inclusion in section 6 of the paper of monitoring surrender rate.

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27	**France Assureurs**	France Assureurs welcomes the recognition that insurance plays a vital role in protecting individuals and businesses, supporting societal resilience and contributing to economic stability. At the same time, the Executive Summary should avoid broad statements suggesting that insurance products generally fail to deliver a compelling value proposition. Where concerns arise, these are linked to specific products, practices, undertakings, or market circumstances. Therefore, they are not a general trend within insurance products. In the EU, the design and distribution of insurance products are already subject to a robust regulatory framework, based on the IDD, the POG rules, EIOPA's supervisory work on Value for Money which will be further strengthened with the forthcoming RIS rules for IBIPs. This framework already ensures that insurance products provide value to consumers and gives supervisors the necessary tools to intervene where needed. The Executive Summary should also expressly recognise information overload as one of the key challenges consumers face when assessing insurance products. The issue is not only whether consumers receive information, but whether that information is clear, useful, proportionate and understandable and supports informed decision making. In the EU, for example, multiple and often duplicative legislative requirements can result in consumers receiving up to 339 pieces of pre-contractual information for a green IBIP sold with advice. This volume of information makes it harder, not easier, for consumers to compare products, identify key features and make informed decisions. This is confirmed by the OECD Consumer Trends Monitor 2026, which identifies ineffective disclosures as the most significant conduct-related risks. It is therefore important that authorities reflect on avenues to reduce consumers' information overload by reviewing existing disclosure requirements and ensure a streamlined and agile sales process. On factors that diminish value, the Executive Summary should be more balanced. Bundled or cross-sold products, commissions and distribution arrangements should not be presented as inherently problematic. They provide convenience, affordability, as well as access to advice and products in the market, especially to the less affluent consumers. The relevant issue is whether conflicts of interest are properly managed and whether the product meets the customer's demands and needs. On factors that enhance value, the Executive Summary is too narrow. Product design that rewards risk reduction is relevant, but value is also supported by robust product governance, proper target market identification, product testing, regular product review, appropriate distribution strategies and clear customer communication. For IBIPs, the Executive Summary should recognise that value includes both quantitative and	See response to comment #31

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		qualitative features. These include biometric risk cover, financial guarantees, risk-mitigation techniques, access to different asset types, depending on the customer's risk profile, pension benefit options, distribution channel, digital tools, advice, services, ongoing assistance and support, and ESG features where relevant. It should also be considered that for life insurance, savings, retirement and decumulation products, value is built over time, not in a single moment. Finally, the reference to supervisory tools should be qualified. Supervisory assessment of value should consider both quantitative and qualitative information. Claims ratios, product performance indicators and other metrics may provide useful context but should not be used as standalone proxies for value or as tools for product ranking. Supervisory tools should remain proportionate, risk-based and within the supervisory domain. The Executive Summary should also expressly recognise information overload as one of the key challenges consumers face when evaluating insurance products. The issue is not only whether consumers receive information, but whether that information is useful, proportionate and understandable. In the EU, for example, multiple and often duplicative legislative requirements can result in consumers receiving many pieces (more than 300) of pre-contractual information for a green IBIP sold with advice. This volume of information makes it harder, not easier, for consumers to compare products, identify key features and make informed decisions. It is therefore important that authorities reflect on avenues to reduce consumers' information overload and ensure a streamlined and agile sales process.	
28	**GCAF - Groupe des contrôleurs d'assurance francophones**	A number of GCAF Members consider that for not all but a number of insurance products, it is reasonable to view the claims ratio (or loss ratio) as an important measure—admittedly not the only relevant measure, but certainly an important one—of the value of these products for the customers. Naturally, for products with a highly volatile claim ratio, it is certainly prudent to set aside the amounts not distributed to policyholders and establish e.g. equalization reserves, in order to cover future contingencies: this is beyond any reasonable doubt. But on the other hand —and the draft IP gives some examples of this, eg boxed text under §§73, 76—, there may be cases where, while the insurance product has low volatility claim ratio, the claim ratio itself seems surprisingly low in comparison with amounts distributed to various intermediaries and other stakeholders. The issue of a (too) low claim ratio, while appropriately highlighted in various sections of the document (e.g., §§ 10, 30, box under §33, 72, 73, 76), is absent from the Executive Summary. Could we thus	The consultation feedback reveals differing views on the weight that should be attributed to a low claims ratio. To preserve what is considered the appropriate overall balance in the paper, the suggestion has not been actioned.

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		suggest adding a paragraph under the heading “Factors that diminish value”, worded as follows? “A low claims ratio that is not justified from a technical or prudential viewpoint reduces the value and attractivity of insurance for consumers, as well as the scope of coverage their budget would otherwise allow them to purchase.”	
29	**BonkNote**	- 1961 – Book – Modern Life Insurance, by Robert I. Mehr -- (p1) … in gaining a life insurance education, one problem does present itself… the basic question is where to begin. --- - 1993-4, NAIC Proceedings - LDWG - Life Disclosure Working Group - NAIC -- (p655) - William Koenig (Northwestern Mutual) suggested that the parties all needed a common understanding of the terms used in their discussion. --- - 1991 - SOA - Illustrations, rsa91v17n4a18 - Society of Actuaries -- (p16) - Walter Miller, [Prudential] - The educational task is huge, and it's not just with the customers; it's with our agents also. -- I would say to all of you that if you think that you don't have any customers or any agents who fail to understand what a nonguaranteed illustration really means, you're kidding yourself. --- - 2025 1110 - InsuranceNewsNet - Kyle Busch Case: A day of reckoning for indexed universal life?, by John Hilton --- [BonkNote] --- [link] -- Lawsuits by disgruntled customers unhappy with the performance of their indexed universal life policy are nothing new. -- But a new complaint from race car driver Kyle Busch and his wife, Samantha, is something else entirely. --- - 2010 0302 - LC - Blumenthal v. New York Life - Deposition of Irving Blumenthal - 85-1 and 85-7 - Exh 1 and 6 - 61p -- (p91) – [Defense Attorney - Phillip E. Stano] - Q - Are you blaming Mr. Marlin for your voluntary signing of this piece of paper? -- [Policyholder - Plaintiff] - A - I would actually say that Mr. Marlow [sic] had – I don't know why I	The purpose of this consultation submission is unclear. No action taken on this comment.

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		signed it. I have no idea. He had – he had to do something to allow me to sign it, that I didn't know what I - -- [Defense Attorney - Phillip E. Stano] - Q - Do you believe in the philosophy of accepting personal responsibility for your actions? -- [Plaintiff Attorney - MS. EMMONS] - Objection. -- [Policyholder - Plaintiff] - A - THE WITNESS: I don't see what that has to do with this policy, period.	
30	**The Geneva Association**	We support the Executive Summary's recognition that insurance plays a vital role in resilience and that poor customer outcomes can undermine trust. However, the framing should better recognise that informed consumer choice and firm obligations are complementary rather than opposing concepts. We suggest softening language that could imply that supervisory intervention should routinely displace customer choice, and instead clarifying that the policy priority is to address clearly harmful practices, improve product governance and support customer understanding.	The comment is noted. The IAIS does not believe the Executive Summary implies that supervisory intervention should routinely displace customer choice. It does speak of supporting consumers' insurance decision-making and their ability to make their own insurance purchasing decision upon the basis of a reasonable understanding.
31	**Insurance Europe**	Insurance Europe welcomes the recognition that insurance plays a vital role in protecting individuals and businesses, supporting societal resilience and contributing to economic stability. At the same time, the Executive Summary should avoid broad statements suggesting that insurance products generally fail to deliver a compelling value proposition. Where concerns arise, these are linked to specific products, practices, undertakings or market circumstances. Therefore, they are not a general trend within insurance products. In the EU, the design and distribution of insurance products are already subject to a robust regulatory framework, based on the IDD, the POG rules, EIOPA's supervisory work on VfM which will be further strengthened with the forthcoming RIS rules for IBIPs. This framework already ensures that insurance products provide value to consumers and gives	The Executive Summary states that "insurance products do not always deliver a compelling value proposition to their customers, which can lead to poor customer outcomes and in some cases a broader erosion of consumer trust". This does not convey a broad statement that insurance

#	Respondent	Comment	Resolution of comment
		supervisors the necessary tools to intervene where needed. The Executive Summary should also expressly recognise information overload as one of the key challenges consumers face when assessing insurance products. The issue is not only whether consumers receive information, but whether that information is clear, useful, proportionate and understandable and supports informed decision making. In the EU, for example, multiple and often duplicative legislative requirements can result in consumers receiving up to 339 pieces of pre-contractual information for a green IBIP sold with advice. This volume of information makes it harder, not easier, for consumers to compare products, identify key features and make informed decisions. This is confirmed by the OECD Consumer Trends Monitor 2026, which identifies ineffective disclosures as the most significant conduct-related risks. It is therefore important that authorities reflect on avenues to reduce consumers' information overload and ensure a streamlined and agile sales process. On factors that diminish value, the Executive Summary should be more balanced. Bundled or cross-sold products, commissions and distribution arrangements should not be presented as inherently problematic. They provide convenience, affordability, as well as access to advice and products in the market, especially to the less affluent consumers. The relevant issue is whether conflicts of interest are properly managed and whether the product meets the customer's demands and needs. On factors that enhance value, the Executive Summary is too narrow. Product design that rewards risk reduction is relevant, but value is also supported by robust product governance, proper target market identification, product testing, regular product review, appropriate distribution strategies and clear customer communication. For IBIPs in particular, the Executive Summary should recognise that value includes both quantitative and qualitative features. These include biometric risk cover, financial guarantees, risk-mitigation techniques, access to different asset types, depending on the customer's risk profile, pension benefit options, distribution channels, digital tools, advice, services, ongoing assistance and support, and ESG features where relevant. It should also be considered that for life insurance, savings, retirement and decumulation products, value is built over time, not in a single moment.	products generally fail to deliver a compelling value proposition. The other comments reveal positions and viewpoints that, where agreed with, have been addressed within the relevant sections of the body of the paper where more text length can bring out the nuances – this includes: - Recognition that overly long product information can hinder consumer's ability to assess value; - That both quantitative and qualitative features are relevant to value; and - The balanced considerations for bundled products. The Executive Summary text about how supervisors can assess and monitor the delivery of value has been amended to reflect edits made at the start of Section 6.

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		Finally, the reference to supervisory tools should be qualified. Supervisory assessment of value should consider both quantitative and qualitative information. Claims ratios, product performance indicators and other metrics may provide useful context, but should not be used as standalone proxies for value or as tools for product ranking. Supervisory tools should remain proportionate, risk-based and within the supervisory domain.	
32	**GFIA**	While providing an executive summary is a useful innovation, we ask that readers be advised to consider the entire document. We also ask that the substance of the Executive Summary be revised to reflect accepted comments through the consultation process. The Executive Summary should also expressly recognise information overload as one of the key challenges consumers face when evaluating insurance products. The issue is not only whether consumers receive information, but whether that information is useful, proportionate and understandable. In the EU, for example, multiple and often duplicative legislative requirements can result in consumers receiving many pieces (more than 300) of pre-contractual information for a green IBIP sold with advice. This volume of information makes it harder, not easier, for consumers to compare products, identify key features and make informed decisions. It is therefore important that authorities reflect on avenues to reduce consumers' information overload and ensure a streamlined and agile sales process. The Executive Summary provides a useful overview of the challenges in assessing the value of insurance products and highlights the importance of fair treatment and appropriate customer protection. It may be helpful to further emphasize that value should be assessed holistically, considering product design, coverage, and risk transfer, rather than relying on a limited set of metrics. It may also be beneficial to highlight that supervisory approaches should remain risk-based and proportionate, reflecting differences across jurisdictions, products, and distribution models.	Information overload is not added in the Executive Summary but explicit recognition that length of product information can be a hindrance (where overly long) has been added within section 2. However the corresponding Executive Summary text remains appropriate as is. The Executive Summary text about how supervisors can assess and monitor the delivery of value has been amended to reflect edits made at the start of Section 6.
33	**IAA**	A factor that makes it challenging for consumers to evaluate value is the difficulty of comparing offers from different companies. The issues paper lists conflicts of interest in distribution as factors that diminish value for customers. However, other conflicts of interest may also affect value, as discussed in Chapter 4.4.	See IAIS response B. "or such as inspection, advisory or litigation-defence services" has been added

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		Factors that enhance the value for customers are also: · The level of service provided by the insurance product. For some products, a major value (if not the principal value) of the policy is the service provided in addition to the coverage of claims. For example, in a boiler & machinery policy, it is the inspection service that tries to prevent a boiler breakdown that is the most important part of the policy, and not the claim coverage in the event of such a breakdown. Other products where the service is a major part of the policy includes: o Evaluation of the strength of cyber risk protections in an employer's computer systems as part of the underwriting for cyber insurance policies. (This is becoming a major part of cyber insurance underwriting, and a major part of high quality cyber policies.) o Litigation defence services for professional liability policies, including those for medical professions, accountants, insurance agents and other professionals. Note that for such coverages provided in litigation-intensive jurisdictions, protection of the insured's reputation via vigorous litigation defence may be far more valuable than an eagerness to pay any claim that is presented. The over-willingness to pay any claim presented can lead to the encouragement of fraudulent claims, and hence higher expense and damaged reputation for the insured. o Loss control services provided for commercial risks for both first party coverages and third-party coverages. o While price may be the predominant source of perceived "value" for personal lines policies, the service feature can be a major (if not the major) component of insurance policies for commercial interests. In some markets, the service component is also a major factor for personal lines, as witnessed by a focus on publicised "complaint ratios" for personal lines products. Note also that for higher income non-commercial policyholders, the service component can be more important than price. · Competition of insurance companies typically enhances the value of insurance policies. · Benefits that are not directly linked to an insurance policy, such as tax reliefs, although the sales of the product should not be based on factors that may be amended in the future.	within the description in new section 1.3.
34	**CNP Assurances**	CNP Assurances welcomes the recognition of the essential role insurance plays in protecting individuals and businesses, strengthening societal resilience and supporting long-term economic stability. At the same time, we believe that the Executive Summary should avoid broad conclusions suggesting that insurance products generally fail to deliver value to consumers. Where concerns arise, they are typically linked to specific products, distribution practices or market circumstances rather than reflecting	See response to comment # 31.

#	Respondent	Comment	Resolution of comment
		a systemic issue across the insurance sector. In the European Union, insurance products are already subject to a comprehensive regulatory and supervisory framework, including the Insurance Distribution Directive (IDD), Product Oversight and Governance (POG) requirements, EIOPA's supervisory work on Value for Money and the forthcoming Retail Investment Strategy (RIS) framework. Together, these measures already provide a high level of consumer protection and equip supervisors with the tools necessary to address instances of consumer detriment. CNP Assurances also considers that information overload should be recognised as a key challenge for consumers. The objective should not simply be to increase the amount of information provided, but to ensure that information is relevant, understandable, proportionate and genuinely supports informed decision-making. Excessive or overlapping disclosure requirements may ultimately make it more difficult for consumers to compare products, identify their key features and make appropriate financial decisions. Regarding factors that may diminish value, a more balanced approach would be welcome. Distribution arrangements, including commissions and bundled offers, should not be viewed as inherently detrimental to consumers. When properly governed, they can facilitate access to products and advice, improve affordability and support financial inclusion. The key consideration should remain whether customers' interests are protected and whether products effectively meet their objectives and needs. Similarly, value creation should not be assessed solely through product performance or pricing metrics. Robust product governance, appropriate target market identification, regular product reviews, effective distribution strategies and high-quality customer communication all contribute significantly to delivering value to consumers. For insurance-based investment products, and particularly for insurance-based savings and retirement products, value should be assessed through a holistic lens. In addition to quantitative indicators, value encompasses guarantees, biometric risk coverage, retirement benefit options, risk-mitigation mechanisms, access to diversified investment opportunities, digital services, ongoing support and professional advice. These features form an integral part of the value proposition offered to policyholders. Furthermore, for long-term products such as life insurance, retirement and decumulation solutions, value should be assessed over the entire lifecycle of the product. The benefits delivered to consumers often materialise over many years and cannot be adequately captured through a short-term assessment.	

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		Finally, supervisory assessments of value should continue to combine quantitative and qualitative considerations. Indicators such as claims ratios, costs or performance metrics can provide useful insights but should not be considered as standalone measures of value, nor serve as the basis for product rankings. Supervisory approaches should remain proportionate, risk-based and sufficiently flexible to reflect product diversity, national market characteristics and consumers' varying needs.	
General comments on section 1 Introduction			
35	**National Insurance Commission, Abuja Nigeria**	The importance of insurance services cannot be overemphasised in creating resilience and stability at micro and macro level of the financial system. The processes must be transparent enough to all stakeholders for impactful outcome of the product. The sales process and the claims should well be supervised by adequate regulatory tools.	Noted. No revision required.
36	**Allianz SE**	Allianz supports the recognition of insurance as a socially valuable product whose benefits depend on trust and perceived value. We see customer protection as a cornerstone of insurance business and recognize the importance of customer value for long-term trust, reputational resilience and ethical conduct. We agree that low perceived value and low trust are mutually reinforcing risks that must be addressed structurally, not only through consumer education.	Noted. No revision required.
37	**APCIA**	See comments below (4 and 5)	N/A
38	**Conference of European Bancassurers (CEB)**	The CEB considers that Section 1 would benefit from a more balanced, evidence-based and conceptually precise framing of the issues surrounding value for money in insurance, so as to provide a solid analytical foundation for the subsequent sections of the paper. While the Introduction appropriately highlights the importance of insurance and recognises certain challenges related to consumer engagement and access, it risks conveying an implicit assumption that value for money concerns constitute a primary driver of low insurance uptake and limited consumer trust, an assumption that is not sufficiently supported by empirical evidence and does not adequately reflect the multifactorial nature of insurance demand.	**Partially accepted.** Sections 1 and 2 were substantially reframed to recognise the multifactorial drivers of insurance uptake, the protective, contingent and multidimensional nature of insurance value, the distinction

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		In particular, the CEB emphasises that the level of insurance penetration across jurisdictions is primarily determined by income levels, affordability constraints, financial literacy, risk awareness, risk aversion and public policy incentives, rather than by consumer perceptions of value for money alone. While the latter may play a role, evidence consistently shows that it is not a decisive or dominant driver of purchasing behaviour. The Introduction would therefore benefit from explicitly acknowledging this reality, in order to avoid establishing an analytical framework that may inadvertently overstate the role of value considerations and misidentify the most effective policy levers to enhance consumer outcomes. More fundamentally, the section should more clearly reflect the specific and distinctive nature of value in insurance, which differs from that of most other financial or consumer products. Insurance is based on a forward-looking and probabilistic promise of protection, the value of which often only materialises in the event of a claim and may never be experienced individually by a significant proportion of policyholders. As a result, the perceived value at individual level can diverge from the objective value delivered at portfolio level, particularly in the case of low-frequency, high-severity risks, a structural feature that should not be interpreted as a market failure. This characteristic also implies that value cannot be accurately captured through simplified or purely quantitative indicators, nor assessed through a purely ex post lens. The Introduction should therefore caution against approaches that rely excessively on narrow metrics, such as claims ratios, without adequately considering the broader dimensions of value, including risk transfer, peace of mind, and protection against adverse events. In this context, it is particularly important to recognise that certain cost components—such as biometric risk premiums—should not be treated as mere costs, but rather as the financial expression of the protection provided, and therefore as an integral part of the value delivered to the customer, particularly in hybrid products combining protection, savings and investment features. Similarly, the section should further clarify that insurance product features such as exclusions, deductibles or differentiated pricing structures are not, per se, indicative of diminished value, but rather reflect necessary trade-offs to ensure affordability, technical sustainability and product diversity. A more explicit acknowledgment of these structural elements would contribute to a more accurate and proportionate understanding of how value is created in insurance markets. The CEB also considers that the Introduction would benefit from a more nuanced presentation of consumer behaviour and decision-making processes. While the paper correctly identifies challenges	between objective and perceived value, affordability and misconduct, the need to interpret ownership statistics and complaints data cautiously, and the limitations of relying on any single indicator to assess value. The redraft also recognises the role of service and claims handling and the influence of advice, distribution context, trust and convenience on decisions. Cross-selling is now presented as potentially beneficial where it meets customer needs and is conducted fairly. No specific endorsement of bancassurance was added because the paper is intended to remain distribution-neutral.

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		related to complexity, behavioural biases and information asymmetries, it should more clearly recognise that consumers do not base their decisions on a purely rational evaluation of value for money, but rather on a combination of factors, including trust, convenience, accessibility and contextual triggers. These elements are central to how consumers interact with insurance and should therefore be integrated into the analytical framework from the outset. In this respect, the role of distribution models—particularly bancassurance, cross-selling and bundled offerings—should be more explicitly and positively reflected in the Introduction. These models play a critical role in facilitating access to insurance, reducing transaction costs and embedding insurance solutions within broader financial relationships. In many cases, they stimulate demand for protection that would not otherwise arise, due to low levels of risk awareness, and thereby contribute significantly to financial inclusion and the reduction of protection gaps. While potential risks exist, they should be addressed through proportionate safeguards focused on transparency and consumer empowerment, rather than by implicitly associating these practices with diminished value. The CEB further emphasises that the Introduction should clearly distinguish between low-value situations and cases of misconduct, fraud or breach of contractual obligations. The latter do not relate to the intrinsic value of insurance products, but rather to failures in conduct or enforcement, and should therefore be addressed through existing legal and supervisory mechanisms, including judicial remedies where appropriate. Conflating these categories risks distorting the analytical framework and may lead to policy conclusions that are neither proportionate nor targeted. In addition, the section would benefit from a stronger emphasis on the role of claims handling and service quality as central components of value. As consistently evidenced, the moment of truth in insurance is the claims experience, which largely determines consumer perception of value, trust and satisfaction. Assistance, customer support, clarity of processes, flexibility and ongoing servicing are therefore essential elements of value creation, and should be explicitly recognised in the conceptual framework, rather than being treated as secondary or ancillary considerations. Finally, the CEB underlines the importance of ensuring that the tone and positioning of the Introduction remain balanced and confidence-enhancing, particularly given the nature of the document as a publication issued by supervisors. An overly negative or generalised portrayal of value-related issues, without adequate contextualisation, may have unintended consequences on consumer trust and market confidence, potentially discouraging insurance uptake and undermining the broader objective of strengthening financial resilience.	

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		In light of the above, the CEB recommends that Section 1 be revised to provide a more comprehensive and proportionate framing of value in insurance, explicitly recognising its structural characteristics, the diversity of drivers of consumer behaviour, and the overall positive performance of insurance markets, while ensuring that identified issues are appropriately contextualised, differentiated and supported by robust evidence.	
39	**France Assureurs**	France Assureurs' s comments on the introductory section are reflected in the detailed comments on sections 1.1 and 1.2 below. See comments below (4 and 5)	N/A
40	**The Geneva Association**	The Introduction would benefit from a clearer statement of scope. The paper refers at different points to individuals, consumers and businesses; in our view, it should distinguish more explicitly between retail consumers, SMEs and larger commercial customers, as the assessment of value and the appropriateness of supervisory tools differ materially across those segments. The section would also benefit from a clearer distinction between product-value concerns and broader affordability or system-cost issues that may sit partly outside insurers' control.	**Accepted.** The Introduction now states that the analysis focuses principally on retail customers, identifies the circumstances in which observations may apply to small businesses, and cautions against applying them in the same way to larger or sophisticated commercial customers. It also expressly distinguishes value from affordability and explains that premiums may reflect underlying cost or risk factors.

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Comments on section 1.1 The positive impact of insurance			
41	**National Insurance Commission, Abuja Nigeria**	The global economy can fare better if there are stronger insurance security for business undertakings. It then means that access to insurance product should be facilitated and supervisory tools can be deployed to achieve this objective.	Noted. No revision required.
42	**Allianz SE**	Allianz strongly concurs with the description of insurance as a mechanism for societal resilience and financial stability. We support designing and managing products in a manner that meets reasonable customer expectations for value and outcomes, thereby ensuring that the protective function of insurance is effectively delivered and not undermined by product or distribution shortcomings.	Noted. No revision required.
43	**The Life Insurance Association of Japan**	The LIAJ would like to suggest that, with regard to life insurance, in addition to the benefits already introduced in the paper, the IAIS also refers to the benefit of peace of mind provided by long-term coverage. While this benefit is difficult to quantify, it includes alleviating anxieties about the future (e.g. retirement funds, long-term care and medical expenses). Additionally, while the specific case is already introduced in section 5.1, the LIAJ would like to suggest that the paper explains that value-added services, such as health-promoting services provided by insurers, can encourage behavioural change among customers and improve their quality of life, including extending their healthy life expectancy.	See new Section 1.3 What constitutes value in insurance.
44	**APCIA**	We agree that access to insurance varies across jurisdictions and product lines. However, ownership rates should be interpreted with caution. Differences in insurance take-up may reflect factors such as income levels, public welfare systems, mandatory insurance requirements, tax treatment, market maturity, risk exposure and distribution channels. Similarly, the reference to low consumer engagement should be framed cautiously, as the section itself notes that this is difficult to measure conclusively. Low engagement does not necessarily indicate poor customer outcomes or poor product value. In addition to highlighting the critical role of insurance for financial security, social welfare and resilience, the section appropriately notes that insurance uptake and engagement are believed to be low, citing motivation, interest, and understanding.	**Partially accepted.** The ownership statistics are now described as illustrating differences in access and ownership rather than product value. The text identifies income, public welfare arrangements, mandatory insurance, tax treatment, market maturity, risk exposure,

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		In this context, it may be helpful to further acknowledge that distribution plays an important role in enabling consumer awareness of, and access to, insurance coverage, supporting both value and trust.	distribution channels and customer preferences as possible explanations, and treats engagement separately and cautiously. The redraft also recognises that advice and distribution context influence consumer decisions and that cross-selling may facilitate access or offer convenience where products meet customer needs and are sold fairly. Distribution was therefore recognised as relevant, but not characterised as inherently supporting value and trust. The redraft instead states that any benefits of cross-selling depend on whether the product meets customer needs and is sold fairly, and do not remove the need to assess product design and value separately from the distribution circumstances.
45	**Conference of European Bancassurers (CEB)**	Comments on section 1.1 The positive impact of insurance The CEB strongly supports the overall objective of Section 1.1 in highlighting the fundamental role of insurance in enhancing societal resilience, promoting financial stability and supporting economic activity. The description of insurance as a key mechanism for risk pooling and protection is well founded and should remain central to the narrative of the Issues Paper. At the same time, the CEB considers that this section should be further strengthened to reflect more	**Partially accepted.** Section 1.3 now explains the contingent, forward-looking and multidimensional nature of insurance value, including risk transfer and peace of mind

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		accurately the nature of insurance value, the drivers of insurance uptake, and the contribution of different distribution models—particularly bancassurance—to financial inclusion and consumer protection. 1. On the nature of value and protection in insurance The CEB fully agrees that insurance delivers substantial economic and social benefits. However, it is important to emphasise more clearly that: • The primary value of risk insurance lies in protection against uncertain future risks, rather than in immediate or observable financial returns. • This value is inherently probabilistic and forward-looking, which makes it difficult for consumers to assess ex ante or ex post, particularly in low-frequency, high-severity risks. In this context, the CEB stresses that: • A significant proportion of policyholders will never file a claim and may therefore perceive limited value individually, even when the product delivers substantial value at portfolio level (e.g. claims ratios exceeding premiums collected). • It is therefore not appropriate to equate individual perception of value with objective value delivery, nor to rely on simplified metrics that do not capture the protective function of insurance. The paper would benefit from explicitly acknowledging these structural features, which are intrinsic to insurance and not indicative of market failure. 2. On consumer perception, financial literacy and the “risk awareness gap” The CEB welcomes the recognition that consumer engagement with insurance is generally low. However, this aspect deserves further development. In particular: • Low insurance uptake is primarily driven by limited risk awareness, financial literacy, income levels and public policy incentives, rather than by concerns about value for money alone. • There is often a structural“protection gap” resulting from the fact that demand for insurance does not arise naturally, as consumers tend to underestimate risks or defer consideration of adverse events. This implies that improving consumer outcomes requires not only addressing value considerations but also: • Raising awareness of risks,	where no claim occurs, and recognises the distinct features of savings and insurance-based investment products. It also contextualises ownership and uptake. Section 2 recognises financial literacy, advice, trust, convenience and distribution context as influences on consumer decisions, and includes defaults among the broader contextual factors that may affect those decisions. Cross-selling is described as capable of offering convenience or access where products meet customer needs and are sold fairly, but no specific endorsement of bancassurance was included because the paper remains neutral between distribution models.

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		• Improving financial literacy, and • Facilitating access to insurance through effective distribution mechanisms. 3. On the positive role of bancassurance and cross-selling practices In this regard, the CEB considers it essential that Section 1.1 explicitly recognises the positive contribution of cross-selling and bundling in extending insurance coverage and enhancing consumer outcomes. Cross-selling and bundling plays a key role by: • Leveraging existing, trusted customer relationships between banks and clients, which mitigates information asymmetries and reduces the likelihood of low-value practices. • Embedding insurance within a broader financial relationship, where it is not a stand-alone product but a tool to strengthen long-term customer engagement and loyalty. • Ensuring ongoing customer support and service, which is critical for value perception, particularly at the claims stage. Moreover, cross-selling and bundled offerings should be recognised not only as potential sources of risk (as discussed later in the paper), but also—and importantly—as mechanisms that actively contribute to positive insurance outcomes, including: • Providing convenience and simplicity (“one-stop shop”), which reduces transaction costs and facilitates consumer decision-making; • Providing high quality advice; • Stimulating demand for protection in situations where it would not otherwise arise due to low risk awareness; • Enabling more affordable pricing, through economies of scale and shared distribution costs; • Supporting financial inclusion, by reaching customer segments that are typically underserved by traditional insurance channels. In many cases, bundled or cross-sold insurance products represent the first point of contact between consumers and insurance, thereby playing a crucial educational and awareness-raising role. The CEB therefore recommends that the Introduction adopts a more balanced perspective on these practices, acknowledging both potential risks and their demonstrated benefits. 4. On the drivers of insurance uptake	

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		The CEB also considers that Section 1.1 should more clearly reflect that: • Insurance penetration levels are not directly correlated with perceived value for money, • But are instead primarily influenced by: - Income and affordability, - Financial education, - Regulatory frameworks (e.g. mandatory insurance), and - Fiscal incentives. Evidence from various jurisdictions shows that measures targeting value for money alone do not necessarily lead to increased consumer trust or higher insurance uptake. This underscores the need for a holistic approach, combining consumer protection, education, and access. 5. On tone and balance Finally, the CEB encourages the IAIS to ensure that this section maintains a strong and unequivocally positive narrative on the role of insurance. Given that the Issues Paper is authored by supervisors, it is particularly important to: • Avoid messages that could be interpreted as casting doubt on the fundamental value of insurance, • And ensure that the paper supports consumer confidence, which is itself a key determinant of market functioning. Concluding remark The CEB reiterates that insurance is a cornerstone of economic and social resilience. To strengthen the Introduction, and in particular Section 1.1, the IAIS is encouraged to: • Reflect more clearly the protective and probabilistic nature of insurance value, • Recognise the central role of financial literacy and risk awareness, • Explicitly acknowledge the positive contribution of bancassurance and cross-selling practices, and • Ensure a balanced and confidence-enhancing narrative. This would provide a more accurate and comprehensive foundation for the subsequent analysis in the Issues Paper.	
46	France Assureurs	For savers, life (savings and retirement products) insurance offers a range of advantages that address different financial objectives throughout their lives. First, it provides a secure framework for building and	**Partially accepted.** The section now recognises the

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		preserving long-term savings. Traditional profit participation funds offer capital protection and guarantee the amount invested, while also delivering regular returns. In parallel, unit-linked investments allow policyholders to access a broader range of assets and seek higher long-term growth potential according to their risk appetite. The attractiveness of French life insurance lies in its ability to combine security, guarantees, performance potential, and protection within a single product. It enables individuals to prepare for retirement, finance future projects, accumulate savings, and protect their loved ones through tailored beneficiary arrangements. In addition, life insurance contracts benefit from a well-established regulatory framework designed to protect policyholders and ensure the financial strength of insurance undertakings. France Assureurs welcomes the section and supports its recognition of the important role of insurance in protecting individuals, businesses and society. The section rightly highlights that insurance contributes to financial stability, business continuity, economic resilience, social welfare and risk prevention. France Assureurs particularly supports the references to risk pooling, recovery after adverse events and incentives for safer behaviour. The paper should emphasise the important societal role of life insurance. For savers, life (savings and retirement products) insurance offers a range of advantages that address different financial objectives throughout their lives. First, it provides a secure framework for building and preserving long-term savings. Traditional profit participation funds offer capital protection and guarantee the amount invested, while also delivering regular returns. In parallel, unit-linked investments allow policyholders to access a broader range of assets and seek higher long-term growth potential according to their risk appetite. In particular, the attractiveness of French life insurance lies in its ability to combine security, guarantees, performance potential, and protection within a single product. It enables individuals to prepare for retirement, finance future projects, accumulate savings, and protect their loved ones through tailored beneficiary arrangements. In addition, life insurance contracts benefit from a well-established regulatory framework designed to protect policyholders and ensure the financial strength of insurance undertakings. France Assureurs agrees that access to insurance varies across jurisdictions and product lines.	distinct value components of savings and insurance-based investment products, including performance, guarantees, protection benefits and long-term outcomes. It also reframes the ownership statistics as evidence of differences in access and ownership, identifies relevant jurisdictional factors, and cautions that engagement is difficult to measure and should not be treated as evidence of low value. Detailed descriptions of the French life insurance market were not added because the Introduction is intended to provide a general, jurisdiction-neutral framework.

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		However, ownership rates should be interpreted with caution. Differences in insurance take-up may reflect factors such as income levels, public welfare systems, mandatory insurance requirements, tax treatment, market maturity, risk exposure and distribution channels. Similarly, the reference to low consumer engagement should be framed cautiously, as the section itself notes that this is difficult to measure conclusively. Low engagement does not necessarily indicate poor customer outcomes or poor product value. The illustrative statistics should therefore be presented as evidence of differences in insurance penetration and protection gaps, rather than as a basis for broader conclusions on customer value. We agree that access to insurance varies across jurisdictions and product lines. However, ownership rates should be interpreted with caution. Differences in insurance take-up may reflect factors such as income levels, public welfare systems, mandatory insurance requirements, tax treatment, market maturity, risk exposure and distribution channels. Similarly, the reference to low consumer engagement should be framed cautiously, as the section itself notes that this is difficult to measure conclusively. Low engagement does not necessarily indicate poor customer outcomes or poor product value.	
47	**The Geneva Association**	We strongly support this section. The final paper should continue to emphasise that insurance creates value through risk transfer, financial resilience and peace of mind, including where no insured event occurs. The paper should also distinguish between the actual value of insurance protection and the customer's ex post perception of value. Where no insured event occurs, some customers may feel that they have "paid for nothing", even though the product has provided risk transfer, financial security and peace of mind throughout the coverage period. This perception challenge should not, in itself, be treated as evidence that the product provided low value. It may also be helpful to note more explicitly that differences in insurance penetration across advanced economies can reflect social safety nets, mandatory insurance rules, tax treatment and customer preferences, and should not automatically be interpreted as evidence of poor product value.	**Accepted.** Section 1.3 now states that risk insurance provides risk transfer, protection and peace of mind throughout the coverage period whether or not an insured event occurs. It distinguishes perceived from objective value and explains that a consumer's perception may be shaped by whether a claim occurs without determining the product's objective value. It also clarifies that differences in penetration may reflect public welfare arrangements, mandatory

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			insurance, tax treatment and customer preferences and do not, without further evidence, establish low value.
48	**Insurance Europe**	Insurance Europe welcomes the section and supports its recognition of the important role of insurance in protecting individuals, businesses and society. The section rightly highlights that insurance contributes to financial stability, business continuity, economic resilience, social welfare and risk prevention. Insurance Europe particularly supports the references to risk pooling, recovery after adverse events and incentives for safer behaviour. For example, IBIPs can offer a range of advantages that address different financial objectives throughout consumers' lives, as explained in Insurance Europe's paper "Understanding the distinct nature of life investment products". They provide a secure framework for building and preserving long-term savings. IBIPs can offer capital protection and guarantee the amount invested, while also delivering regular returns. At the same time, insurers can also offer access to a broad range of assets to help consumers seek higher long-term growth potential according to their risk appetite. The attractiveness of life insurance lies in its ability to combine security, guarantees, performance potential and protection within a single product. It enables individuals to prepare for retirement, finance future projects, accumulate savings and protect their loved ones through tailored beneficiary arrangements. This makes it the preferred financial savings product for many consumers. For instance, in France, the life insurance market represents more than €2.1 trillion in assets under management, making it a cornerstone of household savings and a major source of long-term financing for the economy. In addition, insurance contracts benefit from a well-established regulatory framework designed to protect policyholders and ensure the financial strength of insurance undertakings. Insurance Europe agrees that access to insurance varies across jurisdictions and product lines. However, ownership rates should be interpreted with caution. Differences in insurance take-up may reflect factors such as income levels, public welfare systems, mandatory insurance requirements, tax treatment, market maturity, risk exposure and distribution channels. Similarly, the reference to low consumer engagement should be framed cautiously, as the section itself notes that this is difficult to measure conclusively. Low engagement does not necessarily indicate poor customer outcomes or poor	**Partially accepted.** The redraft retains the positive account of insurance and adds the distinct value components of savings and insurance-based investment products, including performance, guarantees, protection and long-term outcomes. Ownership statistics are now expressly contextualised and are not treated as evidence of low value. Detailed market-specific material on European life products and French assets under management was not added because the section provides a general global framework rather than a jurisdictional case study.

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		product value. The illustrative statistics should therefore be presented as evidence of differences in insurance penetration and protection gaps, rather than as a basis for broader conclusions on customer value.	
49	**GFIA**	GFIA agrees that access to insurance varies across jurisdictions and product lines. However, ownership rates should be interpreted with caution. Differences in insurance take-up may reflect factors such as income levels, public welfare systems, mandatory insurance requirements, tax treatment, market maturity, risk exposure and distribution channels. Similarly, the reference to low consumer engagement should be framed cautiously, as the section itself notes that this is difficult to measure conclusively. Low engagement does not necessarily indicate poor customer outcomes or poor product value. In addition to highlighting the critical role of insurance for financial security, social welfare and resilience, the section appropriately notes that insurance uptake and engagement are believed to be low, citing motivation, interest, and understanding. In this context, it may be helpful to further acknowledge that distribution plays an important role in enabling consumer awareness of, and access to, insurance coverage, supporting both value and trust. For savers, life insurance offers a range of advantages that address different financial objectives throughout their lives. First, it provides a secure framework for building and preserving long-term savings. Traditional euro-denominated funds offer capital protection and guarantee the amount invested, while also delivering regular returns. In parallel, unit-linked investments allow policyholders to access a broader range of assets and seek higher long-term growth potential according to their risk appetite. The attractiveness of life insurance lies in its ability to combine security, guarantees, performance potential, and protection within a single product. It enables individuals to prepare for retirement, finance future projects, accumulate savings, and protect their loved ones through tailored beneficiary arrangements. In addition, life insurance contracts benefit from a well-established regulatory framework designed to protect policyholders and ensure the financial strength of insurance undertakings.	**Partially accepted.** The redraft contextualises ownership and engagement, identifies the broader drivers of uptake, and recognises the value of savings and insurance-based investment products through guarantees, protection, investment performance and long-term outcomes. It also recognises distribution channels as relevant to access, identifies advice and distribution context as influences on consumer decisions, and acknowledges that cross-selling may facilitate access or offer convenience where products meet customer needs and are sold fairly. Distribution was not characterised as inherently supporting value and trust because its effects depend on the product, consumer needs and distribution context. Detailed descriptions of

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			particular life insurance structures were not added.
50	**CNP Assurances**	CNP Assurances welcomes the recognition of the essential role insurance plays in protecting individuals, businesses and society, while contributing to financial stability, economic resilience and long-term investment. As a leading international insurer and responsible long-term institutional investor, CNP Assurances considers that life insurance, savings and retirement products provide substantial value to consumers by combining financial protection, long-term investment opportunities and personalised support within a robust regulatory framework. In particular, the French life insurance model offers a unique combination of capital-protected euro-denominated funds - or profit participation funds - and unit-linked investment solutions within a single contract. This enables policyholders to build investment strategies tailored to their financial objectives, investment horizon and risk profile, while benefiting from financial guarantees, diversification opportunities and professional asset management. Such flexibility allows savers to combine security and long-term return potential, which is a key component of the product's overall value proposition. Across several European markets, including France, Italy and Luxembourg, insurance-based savings products combine guaranteed solutions and unit-linked investments within a single contract. This architecture enables consumers to tailor the balance between security and long-term return potential according to their individual objectives and risk appetite. It also illustrates why the value of insurance-based savings and retirement products cannot be assessed solely through costs or investment performance, but requires a holistic assessment of guarantees, protection features, advice and long-term outcomes. More broadly, insurance-based savings and retirement products support a wide range of consumer needs throughout their lifetime, including wealth accumulation, retirement preparedness, intergenerational wealth transfer and financial resilience. Their value should therefore be assessed through a holistic lens, taking into account not only costs and performance, but also guarantees, risk protection features, advice, customer support, service quality and long-term outcomes. CNP Assurances also wishes to underline that life insurance products are subject to a comprehensive and highly protective regulatory and supervisory framework at both European and national levels. The Insurance Distribution Directive (IDD), Product Oversight and Governance (POG) requirements, suitability and advice obligations, as well as national supervisory frameworks, already provide strong	**Partially accepted.** New Section 1.3 now expressly addresses savings and insurance-based investment products and recognises investment performance, guarantees, protection benefits and long-term outcomes as components of value. It also cautions against drawing value conclusions from differences in ownership or engagement. The detailed descriptions of French and other European product structures and regulatory regimes were not included because the Introduction is intended to remain concise and jurisdiction-neutral.

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		safeguards to ensure that products are designed and distributed in consumers' best interests. Furthermore, differences in insurance penetration and ownership rates across jurisdictions should be interpreted with caution. Insurance markets operate within diverse legal, economic and social environments. Variations in tax regimes, pension systems, public welfare arrangements, healthcare systems, mandatory insurance requirements, levels of financial literacy, risk exposure and distribution models all influence consumer participation and product design. As a result, simple comparisons between markets may not accurately reflect the value delivered to consumers. Similarly, low levels of consumer engagement should not automatically be interpreted as evidence of poor consumer outcomes or insufficient product value. For long-term savings and retirement products, consumers frequently rely on professional advice and intermediary support to make informed decisions. Effective advice helps consumers understand product features, assess trade-offs between security and performance, and select solutions that remain aligned with their evolving needs over time. For these reasons, statistics relating to ownership rates or consumer engagement should primarily be viewed as indicators of differences in insurance penetration and protection gaps rather than as evidence regarding the overall value delivered by insurance products.	
51	**ACLI**	ACLI supports the IAIS's emphasis on the positive impacts of insurance to mitigate and distribute risk, pooling resources, and reducing reliance on public funds. Critically, US life insurers complement government services in a variety of ways. One example is the role of annuities, which provide consumers with a predictable, lifelong income stream that complements public retirement systems such as U.S. Social Security. By reducing longevity and income uncertainty, annuities help strengthen individual financial security and may lessen reliance on public assistance over time. U.S. life insurers also provide disability insurance products that complement public programs such as Social Security Disability Insurance (SSDI). While SSDI offers limited support and is restricted to individuals meeting a strict definition of work disability, private disability coverage helps fill these gaps by providing income replacement across a broader range of circumstances. In doing so, the product enhances financial resilience for households, supports continued labor force attachment where possible, and can reduce reliance on public assistance. U.S. life insurers also offer long-term care (LTC) insurance products that play a critical role in addressing the substantial financing gap for long-term care needs. In the United States, public support	**Comments noted.** No additional US-specific examples were added. The existing text already explains insurance's role in supporting financial and economic resilience and complementing public protection arrangements. The detailed examples concern particular US products and public programmes and would add jurisdiction-specific detail beyond the intended scope of the introductory section.

#	Respondent	Comment	Resolution of comment
		through Medicaid for caring for people with chronic or long-lasting illnesses is limited. A significant amount of care is provided by family members to those with these conditions. It is estimated that this caregiving accounts for $700 billion in uncompensated care, places considerable strain on families, caregivers, and the workforce many caregivers leave. LTC insurance helps mitigate these pressures by enabling individuals to pre-fund their care. In this way, LTC products contribute to greater financial resilience for households and help alleviate fiscal and social pressures on public systems. In the U.S., where paid family leave protections are not universally mandated at the federal level, life insurers play an important role in expanding access to income protection during caregiving periods. Life insurers work in collaboration with private employers to offer to fill gaps in coverage. These products enable Americans to care for their growing or aging family.	
Comments on section 1.2 Low value and trust can deter customers from buying insurance			
52	**National Insurance Commission, Abuja Nigeria**	This is feasible in the Nigeria insurance sector where the supervisor has been making frantic efforts to reverse the negative belief through necessary regulatory tools, and this yielding positive outcome for the market. Globally, the low value and trust issues are products of miss-selling and improper claims handling approach. Supervisory approach should address low value products and low insurance uptake.	**Comments noted.** No Nigeria-specific example or general statement that low value and distrust arise particularly or only from those causes was added because the evidence and circumstances differ across markets.
53	**World Federation of Insurance Intermediaries WFII**	Paragraph 8 refers to the aforementioned 2024 OECD survey; however, should this not be a reference to the 2024 Geneva Association survey?	**Accepted.** The attribution was corrected. The redrafted text identifies the survey as the 2024 Geneva Association survey.
54	**Allianz SE**	Allianz agrees that low-value products can materially erode customer trust. Products must provide fair value and corrective action, including product modification or withdrawal, must be taken if a product no	Noted. No revision required.

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		longer meets value expectations. We therefore support supervisory focus on identifying structural drivers of low value rather than relying solely on post-sale remediation.	
55	**The Life Insurance Association of Japan**	The LIAJ considers that customers may be dissatisfied with the value for money of their investment or savings type insurance products because they are often compared with other investment products, such as mutual funds. As insurance is intended to provide comprehensive value, including protection, it should not be simply compared with other investment products based solely on investment returns. Also, customers' understanding of the product may affect how they assess its value. In this context, to appropriately assess the value of insurance products, it would also be important to foster customers' appropriate understanding of the value using a holistic approach. This could include providing information to customers (e.g. financial education) and initiatives through sales processes, in addition to considerations on product design and cost structures.	**Accepted.** The redraft adopts a holistic account of value for savings and insurance-based investment products, including investment performance, guarantees, protection benefits and long-term outcomes, rather than relying on investment returns alone. It also recognises that product understanding affects perceived value and that appropriate advice and decision support can help customers understand features, limitations and trade-offs.
56	**APCIA**	The document recognises that there are many factors that contribute to limited uptake of insurance, but it doesn't name any of them except low consumer trust in paragraph 4. This may overestimate the link between low trust and insurance protection gaps. Other causes deterring customer from buying insurance should be mentioned, like low financial literacy, limited understanding of risk or limited disposable income. In paragraphs 6 and 7, references are made to OECD and NAIC complaints data. It is important to note that not all complaints are meritorious and that complaint numbers may vary depending on the size of the business, the nature of the product and to whom it is sold. Therefore, care should be applied in ascribing too much importance to raw complaint numbers. In addition, with the advent of AI, we are seeing much more repetitive and unwarranted complaint activity challenging both companies and supervisors in how to distinguish between legitimate complaints and AI generated inaccuracies.	**Partially Accepted.** Section 1.4 now identifies the broader factors influencing uptake, including affordability, income, risk awareness, financial literacy, public welfare systems, mandatory insurance, tax treatment, market maturity, distribution and consumer preferences. It also states that complaints data may signal harm or

#	Respondent	Comment	Resolution of comment
		Complaint data should be interpreted with caution as it reflects customer experience but does not necessarily indicate poor value. A clear distinction should be made between objectively low-value products and products perceived as offering low value due to limited understanding.	dissatisfaction but does not alone establish low value and should be interpreted by reference to business size, product and customer characteristics, and complaint causes and outcomes. The redraft also distinguishes objective value from customer perception.
57	General Insurance Association of Japan	Paragraph 4: The text states that "One contributor to low trust is insurance products offering low or limited value for money". While we do not dispute this point, when measuring the ' value for money of insurance products', it is necessary to conduct an evaluation based on a more rational, objective, and long-term perspective, and this requires careful consideration. Furthermore, since the term 'low value' is ambiguous, we would like additional clarification on what specific conditions are being referred to and from whose perspective this is being assessed. Paragraph 11: In the section stating, "insurers and takaful operators are also expected to consider any extenuating circumstances faced by these policyholders and offer tailored assistance when needed.", it is unclear what exactly the term 'tailored assistance' refers to. As it tends to evoke images of financial or material assistance, or special preferential treatment, which could be misleading, we propose revising the text as follows: "insurers and takaful operators are also expected to consider any extenuating circumstances faced by these policyholders when needed." In addition, regarding the statement as noted above, we consider that providing support to vulnerable consumers is a role required not only of insurers, but also of the public sector, especially. As such, we suggest adding this point to the statement.	**Partially accepted.** The redraft clarifies that objective value requires broad evidence and explains how low value may arise across product design, distribution, pricing, service and claims handling. The Malaysia example is redrafted and no longer uses terms “extenuating circumstances” and “tailored assistance”.
58	Conference of European	The CEB considers that the current title of this section “Low value and trust can deter customers from buying insurance”—should be revised, as it presents a categorical assertion that is not sufficiently supported by robust empirical evidence and risks framing the analysis in a potentially misleading	**Partially accepted.** Section 1.4 has been revised, including in title. The text now treats

#	Respondent	Comment	Resolution of comment
	Bancassurers (CEB)	manner. When evaluating value for money and the potential drivers that could hypothetically affect the sector's credibility and the propensity to purchase insurance, it is essential to differentiate between savings insurance and risk insurance. In savings insurance, all policyholders receive a return in terms of profitability on their investment. Conversely, in risk insurance, only a portion of the policyholders receive compensation. Depending on the type of risk insurance, this proportion of policyholders who receive an "explicit return" in the form of compensation can be very small, depending on the frequency and severity of the insurance coverage. The CEB believes there is a fundamental misconception in the document, as it considers poor value for money to be a primary cause of consumer confidence and, consequently, their propensity to purchase insurance. However, statistics and the academy (Feyen, Erik; Lester, Rodney; Rocha, Roberto. 2011. What Drives the Development of the Insurance Sector? An Empirical Analysis Based on a Panel of Developed and Developing Countries. Policy Research working paper ; no. WPS 5572. © World Bank. http://hdl.handle.net/10986/3339 License: CC BY 3.0 IGO.; or Giné, X., Ribeiro, B., & Wrede, P. (2019). Beyond the S-curve: Insurance Penetration, Institutional Quality and Financial Market Development (Policy Research Working Paper No. 8925). The World Bank. https://doi.org/10.1596/1813-9450-8925 and Mapfre Economics MAPFRE GIP [2025]: Global Insurance Potential Index (2025) Gruber, J., & Poterba, J. (1994). "Tax Incentives and the Decision to Purchase Health Insurance". Publicado en el Quarterly Journal of Economics; MAPFRE Foundation y Mapfre Economics :"Trends and elements for the development of insurance markets: tax incentives" (2025); Finkelstein, A. (2002). "The Effect of Tax Subsidies on Market Curve: Evidence from Long-Term Care Insurance". Published by the NBER or the OECD Global insurance market trends (2025 & several years). demonstrate that other factors show a far more important correlation to determine consumers' propensity to purchase insurance. These factors, in order of importance, are: consumer income levels, government incentives, risk awareness, risk aversion, financial literacy and the absence of insurance related frauds or scams. Therefore, we suggest to change significantly the headline of the section as it includes a statement with not enough statistical support. In risk insurance, by its very nature, only a portion of policyholders will have a claim. And only these will perceive the value in the product they have purchased. All other customers without a claim will have the feeling that they have paid money they could have saved. This perception is difficult to change. Complaints about the low value of insurance products stem from two sources:	demand as multifactorial, distinguishes risk insurance from savings and investment products, recognises protection and peace of mind where no claim occurs, separates objective from perceived value and affordability, and characterises supervisory and complaints evidence cautiously. It also recognises advice, distribution context, convenience and contextual triggers in Section 2. The OECD evidence was retained because it is clearly described as supervisory assessment rather than direct evidence of purchasing behaviour.

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		• Policyholders who haven't had a claim believe they've paid for nothing. • Those who have had a claim associate its value with the handling of claims (speed, simplicity, etc.). Those who believe they are entitled to compensation but ultimately see their claims rejected, even if fully justified by the existence of exclusions, consider the insurance worthless. However, exclusions in insurance are essential to guarantee the technical balance and affordability of the policy. An insurance policy without any exclusions would have such a high premium that only a few could afford it. CEB considers that this section, in particular: • The title suggests a direct and generalised causal relationship between perceived low value, lack of trust, and reduced insurance uptake, mixing risk and investment products, • Whereas, in practice, no clear and consistent statistical evidence demonstrates that these factors are primary or decisive drivers of consumer purchasing behaviour across markets and product types. In fact, in several paragraphs it is recognized that the key factor is affordability. • It is important to distinguish between risk insurance and insurance based investment products. In insurance based investment products, every consumer receives a tangible return, while in risk insurance the main outcome of the insurance is protection (see comments on other sections) The CEB therefore recommends adopting a more neutral and evidence-based formulation, for example: • “Factors that may influence customer demand for insurance products”, or • “Challenges affecting customer engagement with insurance products”. Such a reformulation would better reflect the multifactorial nature of insurance demand and avoid pre-empting conclusions. On the relative importance of drivers of insurance demand The CEB emphasises that the current wording places disproportionate emphasis on one specific factor (perceived value), while overlooking other determinants that are demonstrably more relevant and more strongly correlated with insurance uptake, including: • Income levels and affordability constraints, • Financial literacy and understanding of risk, • Public policy frameworks (e.g. mandatory coverages, tax incentives), • Behavioural biases, such as optimism bias or present bias. Evidence across jurisdictions (see references on the previous comment) consistently shows that these	

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		factors play a more prominent role in shaping insurance penetration than consumers' assessment of "value for money" in a strict sense. On the limited role of value assessment in consumer decision-making The CEB further underlines that: • Consumers' well-documented difficulties in assessing the value of insurance products constitute, in themselves, strong evidence that this factor is unlikely to be a primary determinant of purchasing decisions (Md.Sum, Rabihah & Nordin, Norhafiza. (2018). Decision-Making Biases in Insurance Purchasing.). • Insurance value is inherently forward-looking, contingent and probabilistic, which limits the ability of consumers to make informed comparisons based on expected outcomes. As a result: • Purchasing decisions are often driven by contextual triggers (e.g. obtaining a mortgage, opening a bank account, financing a purchase) rather than by an explicit assessment of value; • Consumers tend to rely on trusted intermediaries, default options or simplified decision-making processes, rather than undertaking a detailed evaluation of product features. This reinforces the need to avoid overstating the role of perceived value as a barrier to insurance uptake. On trust and its interaction with distribution models Regarding trust, the CEB agrees that it is an important element of well-functioning insurance markets. However, the analysis would benefit from recognising that: • Trust is often channelled through distribution models, rather than being directed at insurance products in isolation. • In particular, bancassurance plays a key role in mitigating trust-related barriers, by leveraging longstanding customer relationships between banks and clients. In this context: • Insurance products offered via banking channels benefit from higher levels of perceived credibility and accessibility, • Which can offset potential concerns about complexity or value assessment.	

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		On the risk of misleading policy implications Finally, the CEB is concerned that maintaining the current formulation could: • Lead to policy conclusions that over-prioritise value metrics at the expense of more impactful measures (e.g. financial education, access, affordability), • And risk misidentifying the root causes of low insurance penetration in certain markets. A more nuanced and evidence-based framing would support more effective and proportionate supervisory responses, aligned with the actual drivers of consumer behaviour. Other comments We consider that it is inappropriate to use the OECD report as basis for the IAIS's judgements, as it reflects the opinion expressed in many cases by the same supervisors and jurisdictions in another context. This constitutes self-reinforcing feedback that undermines the document's credibility. The findings in the 2024 OECD Consumer Risk Monitor are based on analysis of primary data collected from 43 jurisdictions representing the views of 82 government ministries and regulatory and supervisory authorities on ongoing and emerging risks to financial consumers, complemented by secondary data sources collected via desk research. In many cases, the information for the OECD Consumer Risk Monitor comes from the same authorities or governments that are part of the IAIS, so citing this report as a source doesn't actually strengthen its conclusions and it is only evidence of a supervisory trend. Concluding recommendation The CEB recommends that this section be revised to: • Adopt a neutral and evidence-based title, • Reflect the multifactorial nature of insurance demand, • Recognise the limited role of explicit value assessment in consumer decisions, and This would ensure a more accurate and balanced representation of the factors influencing customer engagement with insurance products.	
59	National Association of Insurance	Para. 7: Suggested edit to better characterize the footnote: Additionally, information released by the National Association of Insurance Commissioners (NAIC) on closed confirmed consumer complaints by reason showed that the leading causes of complaints in the	**Accepted.** The wording of the sentence was revised as suggested.

#	Respondent	Comment	Resolution of comment
	Commissioners (USA)	US in 2025 were claims handling (including delays, unsatisfactory settlement/offer, denial of claim and adjuster handling) and policyholder service.	
60	France Assureurs	France Assureurs agrees that consumer trust is important for insurance uptake and that customers should have confidence that insurance products meet their needs and deliver good outcomes. However, the section should avoid presenting low or limited VfM as a principal explanation for limited insurance uptake. As the section itself recognises, uptake is affected by many factors. These include affordability, income levels, risk perception, financial literacy, public welfare systems, mandatory insurance requirements, market maturity and distribution channels. France Assureurs welcomes the distinction between products that may offer low value objectively and products that may be perceived as offering low value by customers. This distinction is important and should be maintained throughout the Issues Paper. Perceived poor value may reflect limited understanding of insurance or lack of engagement, rather than an actual lack of value. The complaints data referred to in the section are relevant to customer experience, particularly on claims handling, exclusions, premiums, fees and customer service. However, complaints data should be interpreted carefully. They identify areas of customer concern but should not be treated as evidence that insurance products generally provide poor value. The section should also distinguish clearly between affordability and VfM. A product may provide value but still be unaffordable for some consumers. Rising premiums may also reflect underlying factors such as inflation, claims costs, medical costs, climate-related risks or changes in risk exposure. These issues should not automatically be framed as product-value failures. Moreover, the reference to EIOPA's estimate that 10% to 15% of EU IBIPs may be at risk of offering limited to no value demonstrates that there are no structural VfM concerns, but rather concentrated in a limited number of insurance undertakings. Finally, the Malaysia example should be presented as jurisdiction specific. Measures to stagger or limit premium increases may respond to affordability concerns in a specific circumstances and market context, but they may also have implications for risk-based pricing, product availability and long-term sustainability. These factors should be reflected in a balanced way.	**Partially accepted.** The redraft identifies the broader economic, policy and consumer factors affecting uptake. It distinguishes affordability from value and explains that premiums may reflect underlying costs and risks. It also avoids treating difficulties in assessment or low uptake as evidence that insurance generally provides low value and presents the identified problem products in their specific product and distribution context. The detailed distinction between actuarially supported risk-based pricing and problematic pricing practices was not added to Sections 1 and 2 because substantive pricing practices are addressed in Section 4.2.

#	Respondent	Comment	Resolution of comment
		Complaint data should be interpreted with caution as it reflects customer experience but does not necessarily indicate poor value. A clear distinction should be made between objectively low-value products and products perceived as offering low value due to limited understanding. Insurance uptake is influenced by multiple factors, including affordability, financial literacy, public welfare systems and distribution channels, not only value for money considerations. The paper should also emphasise that advice could enhance consumers trust in insurance products. This is particularly true for the life insurance market. Savers have different financial situations, investment horizons, objectives, and levels of risk tolerance. High-quality advice helps identify the most suitable solutions and ensures that products remain aligned with the policyholder's evolving needs. Insurance advice plays a crucial role in explaining product features, assessing risk profiles, and guiding customers through investment choices. It helps clients understand the balance between guaranteed products and market-based investments, and the options available for retirement planning. Effective advice also strengthens consumer confidence and contributes to better financial outcomes. By ensuring that products are appropriate and well understood, insurers support informed decision-making and help individuals make the most of the opportunities offered by life insurance while maintaining an adequate level of protection.	
61	The Geneva Association	We agree that poor customer outcomes can damage trust and discourage take-up. However, this section should better acknowledge that limited uptake may also reflect affordability pressures, inflation, medical-cost trends and other macro or system factors. In addition, the paper should recognise that insurance has an inherent risk-assessment dimension that can make value difficult for customers to assess ex ante, even where product terms and coverage features are clear. Premiums reflect a complex assessment of expected loss, risk characteristics, pooling, claims experience and other actuarial factors. Moreover, insurance products often cannot be fully standardised without reducing their relevance to customers' individual circumstances, particularly in life insurance and long-term savings products. This can make direct product comparison difficult, even where disclosures are clear and product features have been simplified. This complexity is not necessarily detrimental to customers; risk-based pricing can support fairness and sustainability by aligning premiums more closely with underlying risk. The final paper should therefore distinguish between poor product value or inadequate disclosure, on the one hand, and the inherent complexity of	**Partially accepted.** The redraft identifies the broader economic, policy and consumer factors affecting uptake. It distinguishes affordability from value and explains that premiums may reflect underlying costs and risks. It also cautions against treating difficulties in assessment, low uptake or particular problem products as evidence that insurance

#	Respondent	Comment	Resolution of comment
		insurance pricing and risk assessment, on the other. The final paper should avoid implying that lower take-up is primarily or generally driven by low-value products, or that customers' difficultie in assessing value necessarily indicates poor product design or unfair pricing. It should also avoid extrapolating from specific problematic products to the broader insurance market.	generally provides low value. The detailed distinction between actuarially supported risk-based pricing and problematic pricing practices was not added to Sections 1 and 2 because substantive pricing practices are addressed in Section 4.2.
62	Insurance Europe	Insurance Europe agrees that consumer trust is important for insurance uptake and that customers should have confidence that insurance products meet their needs and deliver good outcomes. However, the section should avoid presenting low or limited VfM as a principal explanation for limited insurance uptake. As the section itself recognises, uptake is affected by many factors. These include affordability, income levels, risk perception, financial literacy, public welfare systems, mandatory insurance requirements, market maturity and distribution channels. Insurance Europe welcomes the distinction between products that may offer low value objectively and products that may be perceived as offering low value by customers. This distinction is important and should be maintained throughout the Issues Paper. Perceived poor value may reflect limited understanding of insurance or lack of engagement, rather than an actual lack of value. The complaints data referred to in the section are relevant to customer experience, particularly on claims handling, exclusions, premiums, fees and customer service. However, complaints data should be interpreted carefully. They identify areas of customer concern, but should not be treated as evidence that insurance products generally provide poor value. The section should also distinguish clearly between affordability and VfM. A product may provide value but still be unaffordable for some consumers. Rising premiums may also reflect underlying factors such as inflation, claims costs, medical costs, climate-related risks or changes in risk exposure. These issues should not automatically be framed as product-value failures.	**Partially accepted.** The redraft now treats uptake as multifactorial. It maintains the distinction between objective and perceived value, cautions that complaints identify possible concerns but do not alone establish poor value, distinguishes affordability from value, and presents the EIOPA and Malaysia material more carefully. The role of advice is recognised in Section 2. The paper does not state that EIOPA's findings demonstrate an absence of structural concerns, because that conclusion cannot be drawn from the cited sample.

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		Moreover, the reference to EIOPA's estimate that 10% to 15% of EU IBIPs may be at risk of offering limited to no value demonstrates that there are no structural VfM concerns, but rather concentrated in a limited number of insurance undertakings. Finally, the Malaysia example should be presented as jurisdiction-specific. Measures to stagger or limit premium increases can have negative implications for risk-based pricing, product availability and long-term sustainability. These factors should be reflected in a balanced way.	
63	Global Federation of Insurance Associations (GFIA)	The document recognises that there are many factors that contribute to limited uptake of insurance, but it doesn't name any others apart from low consumer trust in Paragraph 4. This may overestimate the link between low trust and insurance protection gaps. Other causes deterring customer from buying insurance should be mentioned, such as low financial literacy, limited understanding of risk or limited disposable income. In Paragraphs 6 and 7, references are made to OECD and NAIC complaints data. It is important to note that not all complaints are meritorious and that complaint numbers may vary depending on the size of the business, the nature of the product and to whom it is sold. Therefore, care should be applied in ascribing too much importance to raw complaint numbers. In addition, with the advent of AI, we are seeing much more repetitive and unwarranted complaint activity challenging both companies and supervisors in how to distinguish between legitimate complaints and AI generated inaccuracies. Complaint data should be interpreted with caution as it reflects customer experience but does not necessarily indicate poor value. A clear distinction should be made between objectively low-value products and products perceived as offering low value due to limited understanding. Insurance uptake is influenced by multiple factors, including affordability, financial literacy, and public welfare systems. This reinforces the importance of focusing on the nature, severity, and distribution channels, not only value for money considerations. Causes of complaints should be considered, rather than relying solely on volume-based metrics alone.	**Accepted.** The redraft names the wider drivers of insurance uptake and states that complaints data should be interpreted in light of the size and nature of the business, products and consumers, and the cause and outcome of complaints. It also distinguishes consumer perceptions from objective value and avoids relying on complaint volumes alone.
64	CNP Assurances	Given the diversity and complexity of available products, advice which is mandatory in France is an important component of the life insurance market. Savers have different financial situations, investment horizons, objectives, and levels of risk tolerance. High-quality advice helps identify the most suitable	**Partially accepted.** The redraft recognises appropriate advice and decision support as

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		solutions and ensures that products remain aligned with the policyholder's evolving needs. Insurance advice plays a crucial role in explaining product features, assessing risk profiles, and guiding customers through investment choices. It helps clients understand the balance between guaranteed products and market-based investments, and the options available for retirement planning. Effective advice also strengthens consumer confidence and contributes to better financial outcomes. By ensuring that products are appropriate and well understood, insurers support informed decision-making and help individuals make the most of the opportunities offered by life insurance while maintaining an adequate level of protection. In addition, Value for Money framework was tailored to the life insurance market few years ago. It has been calibrated to consider the specific features of insurance products, considering the product's overall value proposition as well as the mandatory duty to provide advice and guidance to customers. France Assureurs agrees that consumer trust is important for insurance uptake and that customers should have confidence that insurance products meet their needs and deliver good outcomes. However, the section should avoid presenting low or limited VfM as a principal explanation for limited insurance uptake. As the section itself recognises, uptake is affected by many factors. These include affordability, income levels, risk perception, financial literacy, public welfare systems, mandatory insurance requirements, market maturity and distribution channels. France Assureurs welcomes the distinction between products that may offer low value objectively and products that may be perceived as offering low value by customers. This distinction is important and should be maintained throughout the Issues Paper. Perceived poor value may reflect limited understanding of insurance or lack of engagement, rather than an actual lack of value. The complaints data referred to in the section are relevant to customer experience, particularly on claims handling, exclusions, premiums, fees and customer service. However, complaints data should be interpreted carefully. They identify areas of customer concern but should not be treated as evidence that insurance products generally provide poor value. The section should also distinguish clearly between affordability and VfM. A product may provide value but still be unaffordable for some consumers. Rising premiums may also reflect underlying factors such as inflation, claims costs, medical costs, climate-related risks or changes in risk exposure. These	relevant to understanding needs, features, trade-offs and suitability, and adopts a holistic account of value for savings and insurance-based investment products. It also incorporates the broader points on uptake, perceptions, complaints, affordability, EIOPA data and the Malaysia example. France-specific duties and value frameworks were not added because the sections provide a general cross-jurisdictional analysis.

#	Respondent	Comment	Resolution of comment
		issues should not automatically be framed as product-value failures. Moreover, the reference to EIOPA's estimate that 10% to 15% of EU IBIPs may be at risk of offering limited to no value demonstrates that there are no structural VfM concerns, but rather concentrated in a limited number of insurance undertakings. Finally, the Malaysia example should be presented as jurisdiction specific. Measures to stagger or limit premium increases may respond to affordability concerns in a specific circumstances and market context, but they may also have implications for risk-based pricing, product availability and long-term sustainability. These factors should be reflected in a balanced way. Complaint data should be interpreted with caution as it reflects customer experience but does not necessarily indicate poor value. A clear distinction should be made between objectively low-value products and products perceived as offering low value due to limited understanding. Insurance uptake is influenced by multiple factors, including affordability, financial literacy, public welfare systems and distribution channels, not only value for money considerations. The VFM process is used to valuate the specific features of insurance products, with the product's overall value proposition.	
65	American Council of Life Insurers (ACLI)	In the U.S. life insurance market, insurance coverage levels are influenced by a variety of factors beyond the value of individual products, including affordability, financial literacy, economic conditions, tax treatment, consumer preferences, and the voluntary nature of life insurance and annuity purchases. As a result, market uptake may not always provide a complete picture of the value delivered to consumers. Supervisory assessments may therefore benefit from considering a broader range of factors and evidence when evaluating customer outcomes. We recommend supervisory assessments avoid treating market outcomes alone as proof of inadequate value.	**Accepted.** The redraft states that uptake is influenced by affordability, financial literacy, economic and policy settings, consumer preferences and other jurisdiction-specific factors. It expressly cautions that ownership and access statistics do not, without further evidence, indicate low product value.

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Comments on section 2 Challenges for consumers to evaluate value when buying insurance			
66	National Insurance Commission, Abuja Nigeria	The larger part of the insuring public might not be able to correctly assess their needs against the value of the insurance product they are buying. This complexity is due partly to limited information about their needs versus the product value. Consumer information should be encouraged and considered as part of the process necessary in selling insurance products to consumers, so as to create additional layers of trust in the system.	**Comments noted.** Section 2 explains that consumers may struggle to identify products likely to meet their needs because of psychological, informational and market-based challenges. It also states that timely, understandable and decision-useful information may assist consumers and that careful consideration should be given to what information is presented and how it is presented so that it is understandable and useful for decision-making.
67	Brenda Cude University of Georgia, USA	Consider adding one more thought regarding reasons why insurance decision making is complex: The decisions often require information often unavailable to the consumer before purchase -- such as policy language. This goes to the information asymmetries mentioned in the paper. I suggest this because at least in the U.S. it often is very different to see the actual policy before purchasing a product. Second bullet under #15: I don't think you mean "confronting" here. Perhaps concerning? Or disturbing?	**Partially accepted.** Section 2 now recognises that consumers may need to assess service quality before experiencing it and may have limited direct evidence about likely responsiveness, support, timeliness and fairness. It also adds information asymmetry and untimely access to

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		In the bullet about knowledge and financial literacy: Somewhere you might want to cite some of this information from a study in the U.S. (https://www.tiaa.org/public/institute/publication/2026/tiaa-gflec-personal-finance-index) P-Fin Index Findings on Insurance and Financial Literacy The 2026 TIAA Institute–GFLEC Personal Finance Index (P-Fin Index) found that U.S. adults, on average, correctly answered only 47% of the 28-question index — the lowest level in the survey's 10-year history TIAA. This includes performance in the "insuring" functional area, which measures understanding of insurance concepts. Key Insurance-Related Insights Low overall performance: The "insuring" category is one of the five functional areas where financial literacy has declined significantly in recent years, alongside consuming, borrowing, earning, and comprehending risk TIAA. Generational gaps: Gen Z scored the lowest overall (38% correct), with many answering only two or fewer questions correctly, including those on insurance Global Financial Literacy Excellence Center (GFLEC)+1. Baby boomers scored higher (55% correct), but still below the national average. Gender gap: Women scored about 6 percentage points lower than men overall, including in insurance-related questions TIAA. Very low literacy prevalence: 36% of adults demonstrated "very low" financial literacy (2 or fewer correct answers), and only 15% showed "very strong" literacy (7–8 correct) TIAA. Broader Financial Literacy Context Risk comprehension: Even across all generations, "comprehending risk" — which includes insurance risk — remains the weakest area, with only 36% correct in 2026 TIAA. AI use in finance: While 19% of adults have used AI tools for personal finance, only 4% use them regularly to manage finances; Gen Z is most likely to use AI for finance (29%) TIAA.	contractual terms as decision-making challenges and qualifies the discussion of exclusions by reference to differences across jurisdictions and distribution contexts. The Australian add-on insurance material has also been revised to distinguish indicators of poor consumer value from features of the sales environment that may impair decision-making. Thank you for the shared research insights and findings. They are noted with interest but not added to this paper – this paper does not feature academic footnotes.

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		Retirement and insurance links: Low financial literacy is tied to higher debt burden and financial fragility; adults with very low literacy are twice as likely to be debt-constrained and three times more likely to be financially fragile Global Financial Literacy Excellence Center (GFLEC). Why It Matters The P-Fin Index shows that insurance literacy is part of a broader financial illiteracy problem. Adults with weak insurance knowledge are less likely to make informed decisions about coverage, premiums, and risk management, which can affect long-term financial security. Bottom line: The 2026 P-Fin Index confirms that U.S. adults — including younger and older cohorts — struggle with insurance-related financial literacy, and that targeted education is needed to improve understanding and decision-making in this area. In the last bullet under #15: Perhaps rephrase this as "May be presented with framing effects." #22: Insert the word "have" before inadvertently and make influenced past tense. #23 doesn't seem like a statement that should stand alone. For #27, you could cite Schwarcz, D., Logue, K. D., Cude, B. J., & Alcala, G. M. (2026). Read but not understood? An empirical analysis of consumer comprehension of homeowners insurance. Virginia Law Review, 112(3). https://virginialawreview.org/articles/read-but-not-understood-an-empirical-analysis-of-consumer-comprehension-in-homeowners-insurance/ I suggest this because at least in the U.S. it often is very different to see the actual policy before purchasing a product.	
68	**Allianz SE**	Allianz agrees with the analysis of behavioral, informational and cognitive challenges faced by customers. These challenges can effectively be addressed by requiring clear, fair and not misleading information, proportionate product complexity, and safeguards against behavioral biases that could disadvantage customers, particularly vulnerable groups. In this context, we stress the importance and	The draft has been amended to recognise that appropriate advice or other forms of decision support may help consumers identify their

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		value in itself of professional advice which can help customers in identifying value of insurance products and the best choice of products for their respective needs.	needs, understand product features and limitations, compare alternatives and assess relevant trade-offs when evaluating insurance products.
69	The Life Insurance Association of Japan	Providing excessive information on insurance products could end up hindering customers' understanding because these products are often complex in nature. Therefore, to support customers in making appropriate decisions, it would be better to provide consumers with "appropriate information" rather than simply "more information". The Financial Services Agency of Japan supports this idea in its Principles for Customer-Oriented Business Conduct, stating that 'taking into consideration the information asymmetry with customers, financial business operators should provide customers with important information regarding the sales and recommendations, etc. of financial products and services in an easy-to-understand manner'.	**Partially accepted.** The draft has been amended to refer to the provision of timely, understandable and decision-useful information, rather than simply the provision of more information. The paper already discusses evidence that certain disclosures may not improve consumer decision-making and therefore does not adopt a broader discussion of disclosure design, testing or behavioural optimisation.
70	APCIA	While there are challenges to consumers to evaluate value when buying insurance, the same holds even more true for other complex financial and technology-related purchases. At the same time, some insurance may have unique features, including contingent future benefits, or low frequency/high impact events that can make value assessments a nuanced consideration. In addition, references are made to price optimization, which is restricted or disfavoured in certain jurisdictions, notably the U.S., and across North America, where pricing practices are expected to align with risk-based pricing and actuarially supported factors. Generally, the Issues Paper highlights why the value of advice in the insurance sector is so important and why appropriately regulated and licensed professionals need to meet standards for how that advice is delivered to clients. Advice plays a critical role in supporting consumers in understanding insurance products and assessing value.	**Comments noted.** The draft has been amended to recognise that appropriate advice or other forms of decision support may assist consumers in understanding product features, comparing alternatives and assessing trade-offs. It has also been amended to refer to timely,

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		Insurance purchases are already subject to significant disclosure requirements with differences from jurisdiction to jurisdiction. The insurance industry works diligently in promoting financial literacy, consumer friendly-language, and reducing unnecessary complexity and volume of required documents and disclosures where possible. We share the goal of improving consumers' understanding of risk and insurance products. Cost transparency should focus on clear and meaningful information, rather than increasing the volume of disclosures to deliver expected value.	understandable and decision-useful information.
71	Institute of International Finance (IIF)	We broadly support the Paper's analysis of consumer decision-making challenges. However, we believe the most proportionate first-line response to consumer complexity is better disclosure, stronger financial literacy, and improved advice frameworks, rather than prescriptive intervention in product design or pricing. As the research cited in Para. 22 indicates, providing claims ratios to consumers does not necessarily help them assess value and may in fact have inadvertently encouraged the purchase of low-value products. This illustrates both the limitations of disclosure-based solutions and the risks of top-down intervention in the consumer decision environment. We encourage the IAIS to frame consumer financial education as a preferred first-line supervisory tool, consistent with Section 3.4 of the Paper, before advancing to more interventionist measures.	**Partially accepted.** The redraft recognises disclosure, financial literacy, appropriate advice and decision support, and uses the BETA evidence to show that information must be usable and tested. It does not establish a hierarchy making education the preferred first-line supervisory response, because disclosure and education are not presented as sufficient in all circumstances and disclosure alone may be ineffective.
72	General Insurance Association of Japan	Paragraph 22: Regarding the last two sentences cited from the BETA study, the current wording does not clearly establish a causal relationship and could be misleading. Therefore, the text should be revised to directly quote the original BETA survey: "Although the research found no evidence to suggest that the claims ratio helped people recognise or reject low-value add-on insurance, since it may inadvertently influence people towards purchasing low-value insurance, further research into the most effective display of the claims ratio is warranted." Paragraph 24: While it asserts that "…they ended up with expensive but low-value coverage", the points listed under "challenges these consumers faced" contain speculation (such as the use of "likely" in the second bullet point), the facts are unclear, which could lead to a misconception. Therefore, we	**Partially accepted.** The draft has been amended to recognise that shopping around can assist with some annually renewable products while replacement of some life or long-term products may result in higher premiums, new exclusions or loss of existing benefits. It has also been

#	Respondent	Comment	Resolution of comment
		request that the criteria to determine "low-value" be clarified, and examples with a clear causal relationship be provided. Related to this, regarding the content of Note 14, the information provided is insufficient to objectively assess individual customer circumstances, or to determine whether the insurance premiums were at an appropriate level commensurate with the risk. Presenting examples that suggest, based on insufficient information, that such payments are uniformly wasteful raises concerns that this could be misleading. Therefore, we request that this section be deleted or that appropriate examples be provided. Paragraph 25: The phrase "it may be generally advantageous to shop around and price compare" appears to focus solely on the apparent cost of premiums and does not take into account whether the policy terms are appropriate for the customer. Since it is considered inappropriate to make a judgment based solely on premiums, we propose deleting this sentence. Paragraph 27: Regarding the statement that "exclusions are often communicated in ways that are difficult for the average consumer to comprehend", since the actual situation may vary by jurisdiction, we propose the following revision to that statement: "…yet in some instances, exclusions are communicated in ways that are difficult for the average consumer to comprehend".	amended to qualify the discussion of exclusions by recognising that disclosure practices may differ across jurisdictions and distribution contexts. In addition, the Australian add-on insurance discussion has been revised so that the example distinguishes between indicators of poor consumer value and features of the sales environment that may impair consumer decision-making. The paper does not attempt to prescribe a particular approach to the communication of exclusions across jurisdictions and does not adopt all proposed amendments to the Australian example.
73	Conference of European Bancassurers (CEB)	The CEB agrees that consumers may face challenges when assessing the value of insurance products. However, the analysis would benefit from a more nuanced and behaviourally realistic interpretation of how consumers actually make decisions, as well as a more accurate positioning of the role that value assessment plays in those decisions. On consumer decision-making and behavioural assumptions Consumers' purchasing decisions in insurance are not based on a purely economically rational assessment of value, but rather on a combination of factors that vary significantly across individuals and contexts. In particular: • Elements such as trust, proximity to the distributor, convenience, and ease of contracting are often	**Accepted.** The draft has been amended to recognise that insurance purchasing decisions do not necessarily involve a complete or economically optimised cost-benefit assessment. The section now recognises that decisions may be influenced by a combination of factors

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		decisive, • These elements are inherently difficult to quantify and are not reflected in traditional insurance metrics or accounting indicators. It is therefore not appropriate to assess consumer behaviour under the assumption that individuals systematically compare products based on an objective and economically optimised notion of “value for money”. A more behaviourally informed approach should be adopted throughout the section. On the nature of insurance value and its measurability The section should further emphasise that the core value of insurance lies in protection and security, and that these are intangible, forward-looking and highly subjective attributes, which cannot be easily measured or standardised across consumers. As a result, the perceived value of an insurance product varies significantly from one policyholder to another, and any attempt to reduce this value to simplified or purely quantitative indicators necessarily provides an incomplete and potentially misleading picture. On information asymmetry and the limits of consumer assessment In risk insurance, there is an inherent and unavoidable information asymmetry between insurers and consumers: • Insurers, based on actuarial expertise and large datasets, are able to assess the probability and severity of risks, • By contrast, consumers cannot meaningfully estimate the likelihood of a claim or determine whether premiums are precisely aligned with underlying risks. While consumers may compare: • Coverage conditions, and • Premium levels, they are not in a position to assess whether market prices are “fair” in relation to actual risks. In this context, it is essential to underline that:	including the nature of insurance benefits, the information available, consumers’ knowledge and experience, affordability, access to advice, trust, convenience and other behavioural influences.

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		• Effective competition between insurers is the primary mechanism ensuring that premiums remain reasonable and aligned with risk, • Rather than individual consumer assessments of value. On the drivers of perceived value and customer satisfaction Evidence from customer satisfaction surveys consistently shows that, in risk insurance the individual perception of value is primarily driven by claims experience, notably whether a claim occurs, and the speed, simplicity and fairness of claims handling. By contrast, factors such as price levels or aggregate claims ratios play a much more limited role in shaping individual perceptions of value, and these elements cannot be meaningfully assessed at the individual level. This has important implications: Value-for-money assessments based predominantly on portfolio-level indicators (such as claims ratios) risk being detached from actual consumer experience, and may therefore lead to misleading conclusions. n low-frequency risks and inherent perception biases For insurance products covering low-frequency, high-severity events, the section should explicitly recognise that: • A majority of policyholders will not experience a claim, • And will therefore tend to perceive limited or no direct value from the product, regardless of the premium paid. This perception Is a structural feature of insurance and does not indicate that the product fails to deliver value at a collective or societal level. Accordingly, it is not appropriate to associate a given claims ratio with individual value perception, nor to interpret low perceived value in such cases as evidence of poor product design or market failure. On the implications for supervisory approaches The CEB considers it important to stress that:	

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		• The role of supervisors should be to ensure fair market functioning, transparency, and proper conduct, • But not to substitute consumers' freedom of choice, even where those choices are influenced by subjective or non-quantifiable considerations. An overly prescriptive approach to value assessment risks overrides legitimate consumer preferences, and reduces product diversity and innovation. On the relative importance of value in purchasing decisions The section should more clearly acknowledge that: • The ability (or inability) of consumers to assess value does not necessarily constitute a barrier to purchasing insurance, • On the contrary, it demonstrates that value assessment is not a primary driver of consumer decisions. Empirical evidence, such as the Eurobarometer 2025 survey on Consumer Trends in Insurance and Pension Services, indicates that for the EU: • "Low value for money" ranks only as a secondary or marginal factor in explaining why consumers do not purchase certain types of insurance (e.g. natural catastrophe coverage), • While the most relevant determinants are: - Perceived exposure to risk, - Financial capacity and affordability, - Trust in insurers and institutions. This confirms that value considerations, while relevant, are not decisive, and should not be overemphasised in the analytical framework. On policy implications and priorities A more accurate understanding of consumer behaviour leads to clear policy implications: • Improving consumer outcomes should prioritise: 1. Raising awareness of risks (e.g. through financial education and, where appropriate, mandatory insurance frameworks),	

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		2. Enhancing affordability (e.g. through tax incentives or cost-efficient distribution channels such as bancassurance), 3. Strengthening trust through: § Effective supervision of claims handling, § Prompt and fair compensation, § Accessible and efficient dispute resolution mechanisms. By contrast: • An excessive focus on ex ante value metrics may divert attention from these more impactful levers. Concluding recommendation The CEB recommends that Section 2 be adjusted to: • Reflect a behaviourally realistic understanding of consumer decision-making, • Acknowledge the intrinsic limits of individual value assessment in insurance, • Avoid over-reliance on simplified quantitative indicators, and • Align policy considerations with the actual drivers of consumer behaviour, notably risk awareness, affordability and trust. This would result in a more accurate, proportionate, and operationally meaningful framework for assessing consumer outcomes in insurance markets.	
74	France Assureurs	France Assureurs notes that assessing insurance products might be challenging for consumers on their own. This is precisely why advice plays such an important role. Insurance distributors help consumers understand their needs, compare options, assess trade-offs, understand the product's key features and navigate claims. The mandatory duty of advice in France requires insurers and distributors to gather information on policyholders' needs and circumstances to ensure that the products offered provide guarantees that are appropriate to everyone's profile. This process may also involve highlighting any limitations or exclusions applicable to the coverage, thereby promoting a better understanding of the product and its features. France Assureurs also agrees that cost transparency is important, including clear information on premiums, payment frequency, renewal prices, coverage and exclusions. At EU level, the framework already contains detailed cost disclosure requirements under the IDD and PRIIPs Regulation, and the	**Partially accepted.** The draft has been amended to recognise the role that appropriate advice or other forms of decision support may play in helping consumers understand product features, compare alternatives and assess trade-offs. It has also been amended to refer to timely, understandable and decision-useful information.

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		new RIS requirements will further strengthen cost transparency. Cost transparency should focus on clear and meaningful information, rather than increasing the volume of disclosures. Additionally, France Assureurs supports the section's point that claims ratios may not help consumers assess value. Claims ratios are not a reliable stand-alone indicator of product value. They may be misunderstood and do not capture coverage quality, risk transfer, guarantees, services, advice, claims handling, distribution support or the specific nature of the insured risk. Furthermore, the claims ratio is strongly influenced by external factors, such as events where cumulative risks materialise. The examples on add-on insurance and pressured sales environments should be presented as product- and jurisdiction-specific. They should not be used to draw general conclusions about insurance distribution or cross-selling. Cross-sold products can provide real consumer benefits, including convenience, affordability and products tailored to the main purchase or loan. The issue is not cross-selling as such, but whether the product meets the customer's needs and is sold in a fair, clear and non-misleading way. At EU level, the regulatory framework already contains robust safeguards in this area, including the IDD, the Mortgage Credit Directive (MCD), the Unfair Commercial Practices Directive (UCPD) and the Consumer Credit Directive (CCD). On top of that, supervisors have the necessary tools to intervene where necessary. The section should also treat differential pricing carefully. France Assureurs supports fair treatment of customers and agrees that unfair pricing practices should be addressed where identified. Therefore, the EU IDD already sets robust standards on product design, by allowing insurers to remain free in how they price the risk and develop commercial strategies, provided that they respect the duty to act honestly, fairly and professionally in the best interests of customers, and provide fair and clear information on the costs and services associated with the product. Notwithstanding the above, it is essential that insurers are allowed to differentiate premiums and benefits based on the individual risk. Risk-based underwriting is at the heart of private insurance which only works when customers with different risk profiles are priced differently.	The paper does not include a broader discussion of adviser regulation, remuneration or conflicts of interest because these matters are beyond the scope of Section 2.
75	GCAF - Groupe des contrôleurs d'assurance francophones	As underlined above in the section General comments, the use in §20 of the term 'general insurance' to refer to non-life insurance is inconsistent with the terminology used in the IAIS ICPs (e.g. ICPs 4.3.5, 4.6.1, 12.0.7, 13.6.3, 13.6.4, 14.1.2, etc.). Beyond this, it misleads most common machine translation softwares from English to other languages (French, among others). Therefore, to be consistent with the terminology of the IAIS, to ease the reading of the IP by non-native speakers (and perhaps also by some native speakers), and not to mislead most translation softwares,	More consistency in terminology has been introduced across the paper.

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		the IP could refer to 'non-life insurance' rather than 'general insurance'. Provided, of course, that the UK FCA has no objection, in paragraph 72 at the top of page 35, the term 'general insurance' could similarly be replaced by 'non-life insurance', to ensure greater clarity for readers familiar with the terminology of the IAIS' ICPs but unfamiliar with the specific UK terminology. The same comment applies to the first line of the last paragraph on page 37, and to the second paragraph on page 38.	
76	The Geneva Association	We agree that insurance-purchasing decisions can be complex, particularly because insurance is intangible, infrequently purchased and related to uncertain future events. In our view, the policy implication should be to improve clarity of communication, decision support, customer education and access to advice where appropriate, rather than to infer that complexity itself justifies narrowing product variety or significantly constraining customer choice. This is especially important for long-duration protection and retirement products, where value often materialises over a very long horizon.	Section 2 retains the analysis of complexity but frames the response around timely and usable communication, financial literacy, appropriate advice and decision support.
77	Insurance Europe	Insurance Europe notes that assessing insurance products might be challenging for consumers on their own. This is precisely why advice and distribution services play such an important role. Insurance distributors help consumers understand their needs, compare options, assess trade-offs, understand the product's key features and navigate claims. Effective advice can also strengthen consumer confidence and contribute to better financial outcomes, as explained in Insurance Europe's paper "Value of advice". By ensuring that products are appropriate and well understood, insurers support informed decision-making and help individuals make the most of the opportunities offered by insurance while maintaining an adequate level of protection. In many European countries, advice has been made mandatory and the VfM framework has been designed to take this element into account. Insurance Europe also agrees that cost transparency is important, as well as clear information on premiums, payment frequency, renewal prices, coverage and exclusions. At EU level, the framework already contains detailed cost disclosure requirements under the IDD and PRIIPs Regulation, and the new RIS requirements will further strengthen cost transparency. Additionally, Insurance Europe supports the section's point that claims ratios may not help consumers assess value. Claims ratios are not a reliable stand-alone indicator of product value. They may be misunderstood and do not capture coverage quality, risk transfer, guarantees, services, advice, claims handling, distribution support or the specific nature of the insured risk. Furthermore, the claims ratio is	**Partially accepted.** The draft has been amended to recognise the role of advice and decision support in helping consumers understand products, compare alternatives and assess trade-offs. It has also been amended to refer to timely, understandable and decision-useful information. The paper does not include a broader discussion of disclosure testing, advice frameworks or adviser remuneration as these matters extend beyond the focus of this section.

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		strongly influenced by external factors, such as events where cumulative risks materialise. The examples on add-on insurance and pressured sales environments should be presented as product- and jurisdiction-specific. They should not be used to draw general conclusions about insurance distribution or cross-selling. Cross-sold products can provide real consumer benefits, including convenience, affordability and products tailored to the main purchase or loan. The issue is not cross-selling as such, but whether the product meets the customer's needs and is sold in a fair, clear and non-misleading way. At EU level, the regulatory framework already contains robust safeguards in this area, including the IDD, the Mortgage Credit Directive (MCD), the Unfair Commercial Practices Directive (UCPD) and the Consumer Credit Directive (CCD). On top of that, supervisors have the necessary tools to intervene where necessary. The section should also treat differential pricing carefully. Insurance Europe supports fair treatment of customers and agrees that unfair pricing practices should be addressed where identified. Therefore, the EU IDD already sets robust standards on product design, by allowing insurers to remain free in how they price the risk and develop commercial strategies, provided that they respect the duty to act honestly, fairly and professionally in the best interests of customers, and provide fair and clear information on the costs and services associated with the product. Notwithstanding the above, it is essential that insurers are allowed to differentiate premiums and benefits based on the individual risk. Risk-based underwriting is at the heart of private insurance which only works when customers with different risk profiles are priced differently.	
78	Global Federation of Insurance Associations (GFIA)	The mandatory duty of advice requires insurers and distributors to gather information on policyholders' needs and circumstances to ensure that the products offered provide guarantees that are appropriate to everyone's profile. This process may also involve highlighting any limitations or exclusions applicable to the coverage, thereby promoting a better understanding of the product and its features. While there are challenges to consumers to evaluate value when buying insurance, the same holds even more true for other complex financial and technology-related purchases. At the same time, some insurance may have unique features, including contingent future benefits, or low frequency/high impact events that can make value assessments a nuanced consideration. In addition, references are made to price optimization, which is restricted or disfavoured in certain jurisdictions, notably the U.S., and	**Partially accepted.** The draft has been amended to recognise that appropriate advice or other forms of decision support may assist consumers in identifying their needs, understanding product features and limitations, comparing alternatives and assessing trade-offs. The

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		across North America, where pricing practices are expected to align with risk-based pricing and actuarially supported factors. Generally, the Issues Paper highlights why the value of advice in the insurance sector is so important and why appropriately regulated and licensed professionals need to meet standards for how that advice is delivered to clients. Advice plays a critical role in supporting consumers in understanding insurance products and assessing value. It should be noted that in addition to clear advice which includes needs-based recommendations, clarity and transparency around exclusions is also a key issue to be addressed so that informed advice and client decisions can occur at the point of purchase. Insurance purchases are subject to significant disclosure requirements with differences from jurisdiction to jurisdiction. The insurance industry works diligently in promoting financial literacy, consumer friendly-language, and reducing unnecessary complexity and volume of required documents and disclosures where possible. We share the goal of improving consumers' understanding of risk and ensuring products. Cost transparency should focus on clear and meaningful information, rather than increasing the volume of disclosures to deliver expected value.	paper does not include a more detailed discussion of adviser obligations or conflicts of interest, which are beyond the scope of Section 2.
79	International Actuarial Association (IAA)	This section ignores the varying levels of service that may exist among the insured's choices when looking for a suitable insurance policy. While the paper points out the publication of complaint ratios by some supervisors, this is only a part of the picture in evaluating the relative service levels among products and insurance providers. This is particularly important for several reasons, including: · While every insured experiences the pricing levels that exist for a policy, they only experience the claim service level when they have a claim, and such claim events may be very infrequent. As such, they are more in need of other sources (rather than personal experience) to evaluate service levels. · Information on relative service levels may be available via various sources on the internet, but individual customers may not be aware of such sources. As such, it may be helpful to provide information on the existence of such sources. We note that Paragraphs 25 and 26 address discounts, which are also discussed in section 4.2, Pricing issues. We recommend that these topics be mentioned in section 4.2 as well, in order to present all relevant pricing matters within the same chapter.	**Partially accepted.** Section 2 now recognises that consumers must assess service quality before experiencing it and may need to rely on available service information, advice or the experience of others. It also expands the pricing discussion at para 33 (former para 26) to incorporate some of the suggested other situations in which it is difficult for

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		We also note that there are other situations in which it is difficult for customers to assess the value of a policy: · Discounts are granted only for the first policy year(s), and especially when changes in health conditions may prevent the customer from purchasing a new insurance policy. · The prices increase as the insured person ages, and this is not clearly communicated. · Different companies apply different reference prices (for example, a company may use outdated mortality assumptions).	customers to assess and understanding pricing.
80	CNP Assurances	CNP Assurances agrees that consumer trust is essential to insurance uptake and that customers should have confidence that insurance products meet their needs and deliver good outcomes. In France, where advice plays a central role in the distribution of life insurance, professional guidance helps consumers identify the most suitable solutions according to their financial situation, investment horizon, objectives and risk profile. CNP Assurances also notes that the French market has already developed a Value for Money framework tailored to the specific characteristics of insurance-based savings and retirement products. This framework adopts a holistic approach, taking into account not only costs and performance, but also guarantees, advice, customer support and long-term consumer outcomes. More generally, differences in insurance uptake across jurisdictions should be interpreted with caution. Insurance markets operate within different legal, fiscal, social and retirement systems, which influence both product design and consumer behaviour. Consequently, insurance penetration alone cannot be considered a reliable indicator of product value. Similarly, complaints data and measures of consumer engagement provide useful context but should not be regarded as evidence that insurance products generally deliver poor value. A clear distinction should be maintained between products that objectively offer low value and products that may be perceived as offering limited value due to complexity, limited financial literacy or insufficient understanding of insurance features. Finally, the fact that supervisory concerns appear concentrated in a limited number of cases demonstrates that Value for Money issues should be addressed through a proportionate and risk-based supervisory approach rather than through broad assumptions about the insurance sector as a whole.	**Partially accepted.** The redraft recognises the role of advice and adopts a multidimensional account of value for savings and insurance-based investment products. It also contextualises uptake and engagement, cautions against treating ownership statistics or complaints as stand-alone evidence of low value, and distinguishes objective value from perception. France-specific duties and frameworks were not added, and the paper does not infer from concentrated supervisory findings that concerns are necessarily isolated, because the sections are intended to provide a general, evidence-based framework.

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General comments on section 3 A spectrum of supervisory approaches to address value			
81	National Insurance Commission, Abuja Nigeria	Supervisory approach that includes product regulatory approval prior to sales may address value issues. It might an important element of trust rebuilding in the insurance sector. So, a supervisor must devise means or approach that aligns with jurisdictional experience in this important area.	Comment noted.
82	Brenda Cude University of Georgia, USA	#31: I would think that a comprehensive definition of value would include claims paying performance.	Comment noted.
83	Allianz SE	Allianz supports the depiction of a spectrum of supervisory approaches. Effective customer protection does not require a single definition of "value", but rather enforceable governance, product oversight, pricing discipline and monitoring mechanisms that together ensure fair outcomes. Under this perspective, we integrate both quantitative indicators like expected lifetime loss ratios, distribution costs, complaints ratios and qualitative elements such as customer-centric claims-handling, transparency and clarity of product information, overall customer experience and support, to assess value. This combined approach reflects the multi-dimensional nature of value and ensures a comprehensive assessment of customer outcomes.	Comment noted.
84	The Life Insurance Association of Japan	The approaches taken by each jurisdiction range from setting value requirements to ensuring value through product governance and regulation. These different approaches appear to reflect the product features and market environments in their own jurisdiction. When it comes to whether insurance products provide value, it is understandable to use financial returns as one indicator for investment/savings products. However, for long-term protection products such as life insurance, the provision of peace of mind would be an unquantifiable yet valuable aspect. This suggests that supervisory approaches should not be based solely on short-term results or specific figures or indicators. The LIAJ therefore believes that flexible supervisory approaches focusing on processes such as product design, sales management and governance frameworks, and reflecting product characteristics, market conditions and jurisdictional frameworks, would be suitable.	Comments noted. "Peace of mind" is now referenced in section 1.3 about what constitutes value.

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85	APCIA	Throughout this section and the paper are references to ICP 19 and the concept of "fair treatment of customers". The concept of fair treatment should be interpreted in a manner that is transparent, predictable and grounded in established legal and regulatory frameworks. Clarity is particularly important where supervisory expectations may influence product design, pricing or distribution practices. As noted in prior comments, the term "fair treatment" is inherently broad and open to interpretation. Without clearer interpretation, there is risk that it could be applied in ways that extend beyond established legal or regulatory standards. In our view, fair treatment should be understood as being defined by legally established standards and supervisory guidance, recognizing that insurers and intermediaries may choose to go beyond minimum standards. We encourage regulators to adopt flexible, principles-based, risk-based, and proportionate supervisory approaches that focus on consumer education rather than prescriptive rules or metrics-driven frameworks to assess value. Overly prescriptive regulatory approaches can increase compliance and operational costs for insurers without necessarily improving consumer outcomes and may in fact result in higher costs for consumers. It is also important to ensure a coordinated and harmonized approach where there are multiple regulators in the space in order to avoid duplication, fragmentation, and inconsistency. Value should not be assessed through a mechanical application of indicators or checklists, as this may fail to capture the full range of product features expectations.	Comment noted. Please see above IAIS response G.
86	Institute of International Finance (IIF)	We recognize the intent behind formal value-for-money frameworks, but caution against transposing these to jurisdictions with different data infrastructure, supervisory capacity, and market context. We strongly support Product Oversight and Governance (POG) as the central mechanism for ensuring value delivery, and encourage the IAIS to reinforce the centrality of POG within the existing ICP 19 framework before considering additional supervisory instruments. Where supervisory action is warranted, soft powers such as dialogue, information sharing, and guidance should be the default, with product prohibition reserved as a last resort for instances of clear, evidenced consumer harm that has continued unaddressed. Where supervisors do draw on quantitative indicators as part of their oversight, we recommend these be considered alongside qualitative evidence – including assessments of claims handling practices, product transparency, and overall customer experience – rather than in isolation, as no single metric can capture the full range of factors that contribute to value delivery. We also ask the IAIS to distinguish clearly between commission reform – managing conflicts of interest	Comment noted. Please see above IAIS responses G and L.

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		through remuneration spreading and performance metrics – and commission prohibition, which may not be appropriate as a global supervisory expectation and could in some markets reduce advice availability and coverage access, particularly where distribution infrastructure is less developed. We agree that price comparison tools play a valuable role in promoting transparency and enabling consumers to make more informed purchasing decisions (Para. 53), and would encourage future guidance on this topic to focus on ensuring the accuracy and transparency of the information presented.	
87	General Insurance Association of Japan	In addition to various supervisory approaches aimed at addressing value, the 'advisory role of insurance intermediaries' plays a key role in bridging the information gap with consumers. Therefore, it is also useful to consider an approach that leverages the advisory capabilities of sales channels to promote consumer understanding.	Comment noted. The role of appropriate advice and other forms of decision support to help consumers is acknowledged in the paper.
88	Conference of European Bancassurers (CEB)	The CEB acknowledges the usefulness of presenting a spectrum of supervisory approaches to address issues related to value in insurance products; however, the section would benefit from a clearer articulation of the objectives, limits and proportionality of supervisory intervention, in line with the inherent characteristics of insurance and the actual drivers of consumer behaviour. In particular, the analysis appears to assume that supervisory authorities can meaningfully define or calibrate “value” through a set of tools or indicators, whereas, as highlighted in previous sections, value in insurance is largely contextual, subjective and intrinsically difficult to measure at individual level, given its forward-looking and probabilistic nature. This raises important questions regarding the extent to which supervisory intervention should seek to shape or standardise outcomes that are, by nature, heterogeneous and dependent on individual preferences. In this respect, the CEB considers it essential to reaffirm that effective competition remains the primary mechanism to ensure that insurance products are appropriately priced and deliver value over time. The role of supervisors should therefore focus on ensuring that markets function properly, that firms comply with conduct requirements, and that consumers are treated fairly, rather than attempting to substitute market dynamics or consumer choice through prescriptive definitions of value. Excessive reliance on supervisory metrics or benchmarks—particularly those based on aggregate indicators such as claims ratios—risks oversimplifying complex realities and may lead to unintended consequences, including	**Partially accepted.** Various parts of the paper have been revised to further clarify that there is no universal definition of value and that different factors have to be taken into consideration to address value. In response to the need to differentiate between instances of malpractices and/or misconduct and “genuinely” low value, the former could still result in low-value outcomes for customers. The fact that these two concepts are not

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		reduced product diversity, constrained innovation, or the withdrawal of certain types of coverage, especially those linked to low-frequency, high-severity risks. Furthermore, the CEB notes that some of the approaches outlined in the section appear to blur the distinction between genuinely low-value products and instances of misconduct, poor governance or fraud, which should be addressed through existing supervisory and enforcement frameworks. It is important that any supervisory response remains targeted and risk-based, clearly distinguishing between structural features of insurance products (such as low claims incidence) and situations that warrant corrective action due to breaches of applicable rules. Failing to make this distinction could lead to a mischaracterisation of normal market outcomes as supervisory concerns, thereby distorting both regulatory priorities and market perception. The section would also benefit from a more explicit recognition that consumer outcomes are not solely, nor primarily, determined by ex ante product characteristics, but are significantly influenced by factors such as claims handling quality, accessibility of services, and the overall customer experience over the lifetime of the contract. Consequently, supervisory approaches should place appropriate emphasis on these dimensions—particularly the fair, timely and transparent settlement of claims, which, as consistently evidenced, is the main driver of perceived value at individual level. In contrast, approaches that focus predominantly on product design or pricing metrics risk overlooking the areas that are most meaningful for consumers. In addition, the CEB encourages a more balanced assessment of distribution models and commercial practices, particularly in light of the positive role played by bancassurance, cross-selling and bundled offerings. These models contribute to enhancing access, reducing distribution costs, and embedding insurance solutions within broader financial relationships, thereby addressing some of the key behavioural and structural barriers identified in previous sections, notably low risk awareness and limited engagement. Supervisory approaches should therefore avoid implicitly associating such practices with diminished value, and instead recognise their capacity to support financial inclusion and reduce protection gaps, provided that appropriate conduct standards are applied. The CEB is also of the view that the spectrum of supervisory tools should be more clearly anchored in	interchangeable is now mentioned in the paper. See IAIS response G as to the nature and purpose of this paper.

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		the principle of proportionality, taking into account the diversity of insurance products, distribution channels and national markets. A one-size-fits-all approach to value assessment would be neither appropriate nor effective, given the significant variation in product features, target markets and consumer needs. Supervisory expectations should therefore remain flexible and context-sensitive, allowing for different business models and product structures, while ensuring a consistent level of consumer protection. Finally, the CEB stresses that supervisory frameworks should not aim to replace or override consumer decision-making, even where such decisions are influenced by subjective elements such as trust, convenience or personal preferences. Attempting to impose a uniform or "objective" notion of value risks disregarding the legitimate diversity of consumer motivations and may lead to overly interventionist outcomes that are not aligned with actual consumer needs or market realities. Instead, supervisory action should aim to enhance transparency, strengthen trust and ensure fair conduct, thereby enabling consumers to make informed choices within a well-functioning and competitive market environment. In light of the above, the CEB recommends that this section be refined to more clearly reflect the limits of supervisory intervention in defining value, the central role of market mechanisms, and the need for proportionate, evidence-based and outcome-focused approaches, with a stronger emphasis on claims handling and long-term customer experience, as well as a balanced recognition of the contributions of different distribution models. Financial literacy is a key element in the perception of insurance's value for money and in overall trust in the insurance industry. Customers who understand how insurance works and what it offers value it more positively and trust it more. Furthermore, more knowledgeable customers are better able to identify products that meet their needs, and their expectation gap is smaller.	
89	France Assureurs	France Assureurs shares the view that regulatory and supervisory approaches to customer value differ across jurisdictions, which reflects the diversity of markets, product offerings, consumer needs and insurance distribution channels. France Assureurs also supports the aim that consumers should be treated fairly. In the EU, this principle is already reflected in a comprehensive conduct framework has been introduced for this purpose, including the IDD (which includes, among others, POG requirements,	Comment noted.

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		a demand and needs test, comprehensive information and sustainability assessment requirements and robust rules on conflicts of interest). Nevertheless, we believe that consumers benefit from a competitive and innovative market. Supervisory authorities should intervene in cases of unsuitable products or unfair practices. However, within these limits, pricing and product design should remain within the remit of manufacturers. The value factors referred to in the OECD 2024 Consumer Risk Monitor are too narrow and put a disproportionate emphasis on costs. They should not be applied automatically or treated as an exhaustive checklist for assessing customer value. Value should not be assessed only by reference to expected returns, costs or issuer profitability. In the context of IBIPs, for example, value also includes biometric cover, financial guarantees, risk-mitigation techniques and long-term planning benefits. These elements are central to the value they provide to customers. Value should not be assessed through a mechanical application of indicators or checklists, as this may fail to capture the full range of product features.	
90	The Geneva Association	We welcome the paper's recognition that jurisdictions address value in different ways. That diversity is an important strength of the section and should be made even more explicit. The final paper should underline that there is no single supervisory model that must be adopted globally, and that existing domestic frameworks under ICP 19 and related conduct requirements can achieve fair outcomes through different combinations of product governance, suitability, disclosure, market oversight and enforcement.	Comment noted. The introduction to section 3 now even more explicitly recognises that there is a range of ways to achieve fair value and fair outcomes.
91	Insurance Europe	Insurance Europe shares the view that regulatory and supervisory approaches to customer value differ across jurisdictions, which reflects the diversity of markets, product offerings, consumer needs and insurance distribution channels. Insurance Europe also supports the aim that consumers should be treated fairly. In the EU, a comprehensive conduct framework has been introduced for this purpose, including the IDD (which includes, among others, POG requirements, a demands and needs test, comprehensive information and suitability assessment requirements and robust rules on conflicts of interest). Nevertheless, we believe that consumers benefit from a competitive and innovative market. Supervisory authorities should intervene in cases of unsuitable products or unfair practices. However, within these limits, pricing and product design should remain within the remit of manufacturers. The value factors referred to in the OECD 2024 Consumer Risk Monitor are too narrow and put a	Comments noted. See IAIS response F. New section 1.3 addresses the range of factors that contribute to value.

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		disproportionate emphasis on costs. They should not be applied automatically or treated as an exhaustive checklist for assessing customer value. Value should not be assessed only by reference to expected returns, costs or issuer profitability. In the context of IBIPs, for example, value also includes biometric cover, financial guarantees, risk-mitigation techniques, services and assistance and long-term planning benefits. These elements are central to the value they provide to customers.	
92	Global Federation of Insurance Associations (GFIA)	Throughout this section and the paper are references to ICP 19 and the concept of "fair treatment of customers". The concept of fair treatment should be interpreted in a manner that is transparent, predictable and grounded in established legal and regulatory frameworks. Clarity is particularly important where supervisory expectations may influence product design, pricing or distribution practices. As noted in prior comments, the term "fair treatment" is inherently broad and open to interpretation. Without clearer interpretation, there is risk that it could be applied in ways that extend beyond established legal or regulatory standards. In our view, fair treatment should be understood as being defined by legally established standards and supervisory guidance, recognising that insurers and intermediaries may choose to go beyond minimum standards. We encourage regulators to adopt flexible, principles-based, risk-based, and proportionate supervisory approaches that focus on consumer education and improvements to the decision-making environment rather than prescriptive rules or metrics-driven frameworks to assess value. Overly prescriptive regulatory approaches can increase compliance and operational costs for insurers without necessarily improving consumer outcomes and may in fact result in higher costs for consumers. It is also important to ensure a coordinated and harmonized approach where there are multiple regulators in the space in order to avoid duplication, fragmentation, and inconsistent. Value should not be assessed through a mechanical application of indicators or checklists, as this may fail to capture the full range of product features expectations.	Comment noted. See IAIS response to comment G. Also see ICP 19.0.2 that explains the IAIS' position on what fair treatment of customers encompasses. https://www.iais.org/icp-online-tool/
93	CNP Assurances	The value of insurance-based savings and retirement products should not be assessed through a purely mechanical application of indicators or benchmarks. A holistic assessment should take into account the full range of product features, including guarantees, advice, customer support, risk protection mechanisms and long-term consumer outcomes.	Comment noted. See IAIS response B and L.

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Comments on section 3.1 Explicit supervisory expectations that insurance products provide value			
94	National Insurance Commission, Abuja Nigeria	To a reasonable extent, the National Insurance Commission, Nigeria has explicit supervisory expectation on value. It is an important aspect of product (conventional, takaful or micro-insurance) assessment before granting approval to insurance institution to introduce such product to market.	Comment noted.
95	Brenda Cude University of Georgia, USA	The second bullet in the Belgium section indicates there is a testing and evaluation procedure. I assume this means the regulators must disclose what they assume fair value to be and how they test for that. It would be interesting to know more about that. In the Mauritius section, I found the mention of affordability interesting. I would think affordability would be a separate criteria, rather than a component of value.	The product testing is part of a delegated European Legislation on POG 2017/2358 Article 6 indicates that: "1. *Manufacturers shall test their insurance products appropriately, including scenario analyses where relevant, before bringing that product to the market or significantly adapting it, or in case the target market has significantly changed. That product testing shall assess whether the insurance product over its lifetime meets the identified needs, objectives and characteristics of the target market. Manufacturers shall test their insurance products in a qualitative manner and, depending on the type and nature of the*

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			insurance product and the related risk of detriment to customers, quantitative manner. 2. Manufacturers shall not bring insurance products to the market if the results of the product testing show that the products do not meet the identified needs, objectives and characteristics of the target market". The language used in the second bullet has been amended to "Testing of the insurance product". Regarding the comment about distinction between affordability and value, please see new section 1.3 of the Issues Paper.
96	World Federation of Insurance Intermediaries WFII	We propose adding the following to the UK example: In the United Kingdom, the FCA's rules and guidance on fair value, including PROD 4 and the value measures described in the example, apply to retail customers and do not extend to non consumer or commercial policyholders, for whom the FCA has established a separate and clearly defined scope of application. The FCA's decision to explicitly exclude commercial business from the scope of the fair value rules - particularly in relation to reviews - arose following significant implementation challenges when the scope was initially unclear. Early attempts to apply fair value assessments to open market placements in the London market proved impracticable.	Not actioned. The paper now clarifies its scope in new section 1.1 anyway as focused principally on retail consumers.
97	Financial Services	The value delivered to consumers is enhanced through an integrated framework of supervisory and regulatory requirements designed to ensure that insurance products are suitable for their intended	Comment noted.

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	Authority, Oman	target groups and capable of meeting their actual needs. This includes reviewing product design, coverage limits, benefits and exclusions, premium calculation methodologies, and claims procedures, and ensuring that these elements are proportionate to the nature of the target market. For example, the review considers whether the core coverages under a product intended for individual customers address the risks most likely to affect them, and whether any exclusions or deductibles could materially limit the benefit they derive from the product. Collectively, these requirements are intended to ensure that insurance products provide genuine value to consumers commensurate with the cost they bear. They also seek to ensure that, for example, a lower premium does not result in limited or unclear coverage that fails to fulfil its intended purpose, thereby supporting fair outcomes that are appropriate to consumers' needs. In FSA, we strengthen insurance products' governance by requiring insurers -as part of the product approval process- to identify the target market for each product. This includes defining customer characteristics and needs, as well as their ability to understand the product and bear its associated risks. FSA monitors product performance after launch, including claims ratios, claim rejection cases, and recurring complaints, and takes appropriate supervisory action where indicators suggest concerns regarding the product's suitability or the manner in which it is distributed to the target market. No insurance product gets introduced to the market unless it has undergone regulatory and technical review by the Authority's competent teams in accordance with the laws and regulations governing the insurance product approval process. Depending on the nature of the product, the review may cover the insurance policy wording, schedule of benefits, pricing and technical bases, reinsurance arrangements, underwriting mechanisms, and claims settlement procedures. FSA also ensures that insurance products are marketed through licensed and approved channels, such as insurers, insurance intermediaries, and authorized electronic channels, in accordance with the applicable regulatory framework. With respect to investment-linked insurance products, FSA places particular emphasis on the manner in which such products are marketed and on ensuring that customers understand the nature of the product, its risks, potential returns, and associated charges before making a purchase decision. This includes explaining that the investment value may be affected by the performance of the underlying	

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		assets, that returns may not be guaranteed, and how charges or early termination may affect the surrender value. FSA also emphasizes the importance of a clear sales process that includes an assessment of the customer's needs, financial objectives, and risk tolerance, enabling the customer to understand the product's features and assess its suitability. FSA also works to strengthen and diversify the marketing and distribution channels for insurance products, including electronic platforms and applications, thereby facilitating consumer access to insurance products and services. This is accompanied by the regulation and supervision of such channels, verification that the information provided through them is clear, assurance of the integrity of purchasing and disclosure procedures, protection of customer data, and confirmation that the entities operating these channels are subject to licensing and supervision under the applicable regulatory framework. This approach is consistent with the paper's observation that the fair treatment of customers extends beyond the mere provision of information. It also includes mitigating the risk of selling products that do not align with customers' needs, interests, and financial objectives, or presenting such products in a manner that may create unrealistic expectations regarding benefits or returns. FSA also assesses the value that insurance products deliver to consumers through a range of supervisory indicators. These include, most notably, analyzing complaints received from policyholders, reviewing the reasons for claim rejections and the time taken to settle claims, and considering observations relating to the clarity and ease of understanding of insurance policy documents. For example, recurring complaints concerning a particular exclusion or delays in claims settlement may indicate a need to review the policy wording or the insurer's procedures. In addition, FSA has taken a number of measures aimed at improving the policyholder experience and enhancing the efficiency of claims settlement. These include allowing customers, where they so elect, to receive cash compensation in motor insurance claims, thereby providing them with greater flexibility in selecting the method of vehicle repair. FSA has also established binding timeframes for insurers to process and settle claims within the periods prescribed by law and monitors insurers' compliance with these requirements.	

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		As part of its efforts to enhance the insurance value delivered to consumers and respond to changes in the nature of risks, FSA works to expand the scope of insurance coverage in a manner that addresses existing protection gaps. A key example is the introduction of a mandatory natural catastrophe insurance endorsement to compulsory motor insurance policies, in light of the increased exposure to such risks and the growing impact of natural catastrophe events in recent years. This measure is intended to extend protection to all vehicles, including those insured under compulsory motor insurance, and to enable their owners to receive compensation for damage arising from natural catastrophes, subject to the prescribed terms and coverage limits.	
98	Allianz SE	Allianz considers explicit expectations on fair value to be effective where they are principles-based and proportionate. A documented fair value assessment may prove valuable during product development and review, balancing customer benefits, total price and distribution costs in a multi-dimensional approach.	Comment noted.
99	APCIA	Expectations should primarily rely on transparency and the quality of information provided about products, their costs, guarantees and associated services. Insurers should retain sufficient flexibility to develop solutions tailored to different customer profiles and to create value for consumers. Supervisors, for their part, should focus on their core responsibility: ensuring compliance with regulatory, prudential and conduct-of-business requirements, without substituting themselves for market participants in the design and development of products. A simple and pragmatic approach should take precedence.	Comment noted. Partially accepted. While it is agreed that insurers and intermediaries should retain sufficient flexibility; hence, the principles-based approach in many jurisdictions, it is important to ensure fair treatment to consumers. ICP 19.0.2 indicates that fair treatment of consumers encompasses considerations that go beyond the quality of the information provided, meaning product quality and other aspects such as policy servicing are key. Moreover,

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			behavioural research and also the experience from different supervisors show that transparency alone cannot achieve good consumer outcomes
100	Conference of European Bancassurers (CEB)	The CEB welcomes the effort made in this section to compile and describe a range of supervisory expectations regarding the requirement that insurance products provide value to customers. This overview is useful in illustrating the growing importance of the concept within supervisory frameworks. At the same time, the CEB considers that the diversity of approaches presented clearly reflects a more fundamental point, namely the intrinsic complexity of defining "value for money" in insurance, which is, by its nature, a multifaceted, context-dependent and partially subjective concept. This complexity should be explicitly acknowledged in the section, in order to avoid suggesting that a single, uniform or prescriptive definition of value can be applied consistently across all products, markets and consumer segments. In this respect, the CEB considers that supervisory expectations should be formulated and applied with particular caution, recognising that value in insurance is shaped by a broad combination of factors, including risk coverage, protection over time, service quality, claims experience, distribution channels and consumer preferences, many of which cannot be fully captured through standardised metrics. As highlighted throughout the consultation, consumers themselves often assess value not through formal indicators, but through their experience at the time of claim, the quality of service received, and their trust in the provider, as well as subjective considerations such as convenience and accessibility. This further reinforces the need to avoid overly rigid or mechanistic supervisory definitions of value. The CEB also emphasises that value for money assessments should not rely excessively on quantitative indicators, nor treat specific cost components as inherently indicative of lower value. In particular, the section should clarify that elements such as biometric risk premiums do not constitute mere costs, but rather finance the core protection component of insurance products, especially in hybrid products combining savings, investment and protection features. Products incorporating such elements may, by construction, appear more expensive than those without them; however, this does	Comment noted. Sections 3 and 3.1 have been redrafted to further reflect the intrinsic complexity of defining value, the fact that the concept of value is multidimensional and multifaceted and that supervisors might have to take into considerations a range of different quantitative and qualitative factors.

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		not imply that they deliver lower value, but rather reflects the broader and more complete coverage provided. Similarly, assistance services, claims support, ongoing customer servicing and flexibility are essential components of value, even if they are not easily measurable through traditional financial indicators. From a broader market perspective, the CEB considers it essential to ensure that supervisory expectations in this area do not inadvertently constrain the functioning of competitive insurance markets. In market-based economies, competition between insurers remains the primary mechanism for ensuring that products are priced appropriately and deliver value over time, while also allowing for innovation, product diversity and adaptation to different consumer needs. Supervisory frameworks should therefore aim to support and reinforce market dynamics, rather than replace them through prescriptive definitions of value or uniform benchmarks that may not reflect the diversity of products and distribution models. In this context, the CEB stresses the importance of preserving both the freedom of insurers to design and offer products and the freedom of consumers to make their own choices, even where those choices are influenced by subjective or behavioural considerations. Any supervisory expectations that could effectively limit these freedoms—by imposing overly restrictive interpretations of value or discouraging certain product features or distribution practices—should be carefully assessed against their potential impact on market functioning, access to insurance and financial inclusion. More generally, the CEB recalls that, in the context of market economies, interventions affecting the functioning of markets should be grounded in robust empirical evidence and subject to a clear proportionality test. In particular, it should be demonstrated that the expected benefits of such interventions outweigh their potential adverse effects, including reduced product availability, higher costs for consumers, or diminished incentives for innovation. This principle is especially relevant in the area of value for money, where the conceptual complexity and subjectivity of the notion increase the risk of unintended consequences arising from well-intentioned but overly prescriptive supervisory approaches. Finally, the CEB considers that the section should more clearly distinguish between legitimate supervisory expectations regarding fair conduct, transparency and product governance, which are fully supported, and broader attempts to define or enforce a specific notion of value for money at product level. The former are essential to ensure appropriate consumer outcomes, while the latter should remain flexible, context-sensitive and proportionate, allowing for diversity in business models and	

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		consumer preferences. In light of the above, the CEB recommends that this section be refined to explicitly recognise the inherent complexity and subjectivity of value for money, to emphasise the need for cautious and proportionate supervisory expectations, and to reaffirm the importance of competitive market dynamics, consumer choice and evidence-based intervention as the cornerstones of an effective and balanced approach to ensuring value in insurance markets.	
101	National Association of Insurance Commissioners (NAIC) (USA)	Para. 31: Suggest the below language be added that references the NAIC P&C Model Rating Law (now NAIC Guideline 1780). For background, U.S. insurance regulators monitor the value of insurance products by ensuring rates do not lead to excessive profits, are adequate to pay expected claims, and any variations in rates charges to insurance consumers are based on the underlying risk insured. USA In the U.S. state insurance regulators promote the public welfare in Property and Casualty insurance marketplace by regulating insurance rates to ensure they are not excessive, inadequate or unfairly discriminatory. A rate is considered excessive if it is likely to produce a profit that is unreasonably high for the insurance provided or if expenses are unreasonably high in relation to the services rendered. A rate is considered inadequate if the rate is insufficient to sustain projected losses and expenses, and, if continued in the marketplace, will have the effect of lessening competition in the market. Finally, unfair discrimination in rates is considered to exist if price differentials fail to equitably reflect the difference in expected losses and expenses. Through the application of these standards, state insurance regulators foster the creation of a competitive insurance marketplace where consumers are able to purchase insurance products appropriate for their needs.	The US example has been added, but into the blue box within section 3.2 instead of section 3.1. It fits better in section 3.2 as it is an example of other supervisory requirements that enable action in the case of concerns over the value of the product, rather than being a supervisory expectation explicitly anchored on a concept of “value”.
102	France Assureurs	The variety of approaches described in this section usefully confirms that there is no one-size-fits-all approach on how to determine whether insurance products offer value to consumers. Instead, this depends on each jurisdiction’s market structure, product landscape, distribution models, consumer needs, legal and taxation frameworks, etc. Supervisory authorities should intervene in cases of unsuitable products or unfair practices. However, within these limits, pricing and product design should remain within the remit of manufacturers. Expectations should primarily rely on transparency and the quality of information provided about products, their costs, guarantees and associated services. Insurers should retain sufficient flexibility to develop solutions tailored to different customer profiles and to create value for consumers. Supervisors, for their part, should focus on their core responsibility as it is the case today: ensuring compliance with	Comment noted. See IAIS response above to comment #99.

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		regulatory, prudential and conduct-of-business requirements, without substituting themselves for market participants in the design and development of products. A simple and pragmatic approach should take precedence.	
103	GCAF - Groupe des contrôleurs d'assurance francophones	The boxed text on pages 15–16 states that the Belgian conduct authority practices (FSMA) has published a 'practical guide' setting out recommendations and expectations for the sector. Assuming this 'practical guide' is a public document, we wondered whether the IP could provide a hyperlink, or at the very least a more specific reference? Could it be the following document: https://www.fsma.be/en/news/handbook-idd-rules-conduct, "Handbook on IDD rules of conduct | FSMA"? Indeed, a search on the FSMA website using the keywords 'practical guide' yields tens and dozens of results. More precise reference would therefore help.	The document referred to is the POG Vademecum which covers POG and value for Money. This is the link to the French version: FSMA - Vade-mecum sur le Product Oversight and Governance (POG) en assurances
104	The Geneva Association	We would caution against any implication that a single global definition of "value", "fair value" or "value for money" should emerge from this paper. Such concepts are inherently context-dependent (in particular, they may vary depending on the type of insurance product), and, if expressed too rigidly, can slide toward de facto price controls or ex ante product approval standards. If the IAIS retains this section, it should emphasise that any explicit value expectation must remain principles-based, proportionate and jurisdiction-specific, and should not rely on a mechanical benchmark that overrides legitimate product diversity. The final paper should also avoid any implication that supervisors should move towards routine product or price validation. While supervisors should intervene where there is evidence of harmful conduct, misleading design or poor governance, an overly intrusive approach to product design and pricing could reduce innovation, limit product diversity and constrain the market's ability to develop coverage for new and evolving risks.	Comment noted. Parts of the paper have been redrafted to emphasize that defining value is intrinsically difficult and that there is no universal definition of value applicable across jurisdictions.
105	Insurance Europe	The variety of approaches described in this section usefully confirms that there is no one-size-fits-all approach on how to determine whether insurance products offer value to consumers. Instead, this depends on each jurisdiction's market structure, product landscape, distribution models, consumer needs, legal and taxation frameworks, etc. Supervisory authorities should intervene in cases of unsuitable products or unfair practices. However, within these limits, pricing and product design should	Comment noted.

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		remain within the remit of manufacturers. A simple and pragmatic approach is needed, which allows insurers to retain sufficient flexibility to develop solutions tailored to different customer profiles.	
106	Global Federation of Insurance Associations (GFIA)	Expectations should primarily rely on transparency and the quality of information provided about products, their costs, guarantees and associated services. Insurers should retain sufficient flexibility to develop solutions tailored to different customer profiles and to create value for consumers. Supervisors, for their part, should focus on their core responsibility as it is the case today: ensuring compliance with regulatory, prudential and conduct-of-business requirements, without substituting themselves for market participants in the design and development of products. A simple and pragmatic approach should take precedence.	Comment noted. See IAIS response above to comment #99.
107	International Actuarial Association (IAA)	In some jurisdictions there are explicit supervisory expectations that apply to certain insurance policies. For example, in Finland, there is a concept known as the “reasonableness principle,” which applies to statutory insurance policies — e.g., motor liability insurance. Their premiums must be in a reasonable proportion to the capital value of the expected costs arising from the insurance. Regarding the reasonableness principle, the assumption has been that the effects of limited competition are mitigated through transparency, and the supervisory authority regularly publishes information on the claim ratios of different companies. The issues paper does not address the question of bonus distribution, even though it is essential from the perspective of customer value. Many jurisdictions have provisions in place that guarantee some return of profits to policyholders. If product prices are high, this may later be compensated to policyholders through the distribution of bonuses. This is not always the case for unit linked products. However, for example in Germany, surplus distribution also applies to unit linked products, but only to the part that is not linked to units. It is worth noting that the question of bonus distribution is typically more relevant in shareholder-owned companies than in mutual companies, where the policyholders own the company. Depending on the jurisdiction, bonus distribution may be rule based or principle based. For example, in Germany, under the Act on Insurance Company Supervision, 90% of the surplus (particularly for with profits products) must be allocated to policyholders. In Finland, under the Act on Insurance Companies, insurers must comply with the so called “equality principle,” which concerns the additional benefits of with profits products and the distribution of surplus, both among customers and between customers and the company’s shareholders. See also the example from the UK (paragraph 32 in the issues	Comment noted. Examples have not been added as they are jurisdiction and product-specific, while this section is intended to provide a broader cross-jurisdictional analysis overview. Even though some general principles have been included.

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		paper) It is, at least in principle, easier to supervisory rules- based bonus distribution. However, a question remains as to how expenses are allocated across different product lines. The insurance industry in Finland originally recommended a principle based model on the grounds that, in a rule based model, companies that make a profit are required to distribute a significant share of the surplus, whereas a deficit directly reduces the amount of own funds. To avoid losses, companies could therefore invest in risk free assets. In a principle based model, in theory customers should instead receive a better return. Supervising a principle based model is difficult, as developments in Finland, for example, have shown. The assumption was that competition would set bonus levels at a reasonable level, and companies were required to define their bonus policies in advance. However, all companies ended up with the same objective — at least a risk free interest rate would be distributed to the policies. As companies gradually discontinued the sale of with profits products, competition disappeared and the with profits portfolios went into run off. As a result, some companies distributed only the risk free return, and policyholders did not receive returns higher than the risk free rate objective defined by the companies. The Financial Supervisory Authority in Finland therefore issued a statement that equality must be assessed not only on the basis of the companies' predefined objectives but also at each point in time, taking into account the prevailing profit development and the company's solvency.	
108	CNP Assurances	Expectations should primarily rely on transparency and the quality of information provided regarding products, their costs, guarantees and associated services. Insurers should retain sufficient flexibility to develop solutions tailored to different customer profiles and evolving consumer needs. Supervisory authorities, for their part, should continue to focus on ensuring compliance with regulatory, prudential and conduct-of-business requirements, without substituting themselves for market participants in product design or pricing decisions. A simple, pragmatic and proportionate approach should prevail. The diversity of approaches described in this section usefully demonstrates that there is no one-size-fits-all methodology for assessing whether insurance products deliver value to consumers. Insurance markets operate within different legal, fiscal, social and retirement systems, which shape product features, distribution models and consumer preferences. As a result, the assessment of Value for Money should reflect national market specificities and avoid overly prescriptive or standardised	Comment noted. See IAIS responses above to comment #99 and #104. With regards to the need to assess value in a holistic manner, edits have been made throughout the paper to emphasize that there is no universal definition of value,

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		approaches. CNP Assurances believes that the value of insurance-based savings and retirement products should be assessed through a holistic approach. Beyond costs and expected returns, value also derives from guarantees, biometric risk coverage, advice, customer support, risk-mitigation mechanisms and long-term financial outcomes. A purely mechanical application of indicators, benchmarks or checklists may fail to capture the full range of benefits provided to policyholders. Supervisory authorities should intervene where products are unsuitable or where unfair practices are identified. However, within these limits, product design and pricing should remain the responsibility of manufacturers operating in a competitive market that fosters innovation, consumer choice and long-term value creation.	that a range of different quantitative and qualitative factors should be considered and that no element taken alone should be considered automatically indicative of low value. See IAIS responses B and L.
109	American Council of Life Insurers (ACLI)	Customer value should be assessed holistically. It may include risk transfer, financial protection, claims-paying ability, insurer financial strength, guarantees, biometric risk coverage, service quality, claims handling, advice, distribution support, product flexibility, and long-term contractual security. Metrics such as claims ratios, profitability, expenses, commissions, or investment returns may help identify areas for supervisory inquiry, but they should not be treated as definitive measures of value.	Comment noted. See IAIS responses B and L.
Comments on section 3.2 Other requirements that enable supervisory action on low-value products			
110	National Insurance Commission, Abuja Nigeria	There should be a mechanism, including periodic feedback to supervisor, to measure performance or suitability of product that enables supervisory actions as at when necessary. These make up important steps to protect the insuring public members against unfair trade practice.	Comment noted – refer to section 6 for ways supervisors monitor and assess value.
111	Allianz SE	Allianz agrees that supervisors can act on low-value products already today based on the existing supervisory provisions through broader conduct, suitability and governance requirements.	Comment noted.
112	The Life Insurance Association of Japan	In Japan and some other jurisdictions, supervisory approval is required before launching insurance products, and this approval process plays a role in securing the value of products. Specifically, the LIAJ would like to suggest adding the phrase “such as applying a product approval process by the regulator which will work as a way to secure appropriate value” after the phrase ”but they have other rules or supervisory expectations” in paragraph 33.	Comment noted. Suggested sentence (with minor edits) added as footnote.

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113	APCIA	The examples across jurisdictions illustrate varied legal frameworks and policy choices. Caution should be exercised when drawing broad conclusions or seeking standardized approaches, because each jurisdiction has its own legal and regulatory frameworks that insurers must respect.	Comment noted. See IAIS response G.
114	France Assureurs	The section confirms that different regulatory frameworks can pursue good customer outcomes in different ways, depending on product offerings, distribution channels, consumer needs, etc. At the same time, the Australian example should be treated with caution and presented as product- and jurisdiction-specific. The concerns identified in relation to consumer credit insurance appear to relate to specific issues, which should not be used to draw wider conclusions about cross-selling or insurance distribution more generally. Cross-sold insurance products can provide real benefits to consumers, including convenience, affordability and cover tailored to the main purchase. In the EU, the regulatory framework already contains robust safeguards in this area, including the IDD, the MCD, the UCPD and CCD. Supervisors also have the necessary powers to intervene where poor practices or poor outcomes are identified.	Comment noted. Examples are now expressly indicated as illustrative. Other parts of the paper also mention that cross-selling is not inherently indicative of low value.
115	The Geneva Association	We support the recognition that supervisors often already have tools to intervene where outcomes are poor, even without a separate, explicit value mandate. The final paper should place greater weight on existing conduct, suitability, product governance, disclosure, competition and consumer-protection frameworks, which in many jurisdictions already provide an effective basis for acting against harmful or misleading practices. This will help avoid the impression that a separate formal “value” standard is necessary everywhere. Within those existing frameworks, the final paper could also recognise the importance of proportionate governance around customers in vulnerable circumstances. This should include consideration of foreseeable vulnerabilities during product design, target-market assessment, distribution, onboarding and servicing, particularly for complex products such as life insurance, investment-linked products and long-duration protection products. Such an approach would strengthen conduct-risk management without requiring a separate global “value” standard or intrusive customer categorisation.	Comment noted. The paper illustrates different approaches to ensuring value of insurance products, including recognition that in some jurisdictions there is no specific value mandate. In these jurisdictions, other rules are in place to ensure intervention in cases of low-value products. See also IAIS response G.
116	Insurance Europe	The section confirms that different regulatory frameworks can pursue good customer outcomes in different ways, depending on product offerings, distribution channels, consumer needs, etc. At the same time, the Australian example should be treated with caution and presented as product- and jurisdiction-specific. The concerns identified in relation to consumer credit insurance appear to relate to specific issues, which should not be used to draw wider conclusions about cross-selling or insurance distribution more generally.	See response to comment #114.

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		Cross-sold insurance products can provide real benefits to consumers, including convenience, affordability and cover tailored to the main purchase. In the EU, the regulatory framework already contains robust safeguards in this area, including the IDD, the MCD, the UCPD and CCD. Supervisors also have the necessary powers to intervene where poor practices or poor outcomes are identified.	
117	Global Federation of Insurance Associations (GFIA)	The examples across jurisdictions illustrate varied legal frameworks and policy choices. Caution should be exercised when drawing broad conclusions or seeking standardized approaches, as each jurisdiction has its own legal and regulatory frameworks that insurers must respect.	Comment noted. See IAIS response G.
118	CNP Assurances	CNP Assurances agrees that different regulatory frameworks can pursue good customer outcomes in different ways, reflecting differences in market structures, product offerings, distribution channels and consumer needs. At the same time, the Australian example should be treated with caution and presented as product- and jurisdiction-specific. The concerns identified in relation to consumer credit insurance appear to relate to specific market circumstances and should not be used to draw broader conclusions regarding cross-selling practices or insurance distribution more generally. Cross-sold insurance products can provide tangible benefits to consumers, including convenience, affordability and protection tailored to the primary product or service purchased. In the European Union, a comprehensive regulatory framework already governs these practices, including the Insurance Distribution Directive (IDD), the Mortgage Credit Directive (MCD), the Unfair Commercial Practices Directive (UCPD) and the Consumer Credit Directive (CCD). More generally, CNP Assurances believes that consumer value should be assessed in light of the overall product proposition and the safeguards already embedded in the European regulatory framework. Supervisory authorities have appropriate powers to intervene where unsuitable products or unfair practices are identified, while preserving insurers' ability to design products that respond to diverse consumer needs and preferences.	Comments noted. See IAIS response G. Examples are now expressly indicated as illustrative.

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Comments on section 3.3 Modifying the insurance purchase decision-making environment			
119	National Insurance Commission, Abuja Nigeria	This supervisory approach seems appropriate, and it can be adopted in Nigeria.	Comment noted.
120	Brenda Cude University of Georgia, USA	In the Hong Kong section: "These non-guaranteed benefits allow policyholders to share in the profits of the insurer's participating fund, which IS typically influenced by factors such as investment performance, claims experience and operating expenses." -- If the verb "is" refers to benefits, then it should be "are."	Change adopted.
121	Allianz SE	Allianz supports measures that reduce pressure selling and information overload. In particular, we uphold appropriate distribution channels, controls on incentives and sales campaigns, and safeguards against conflicts of interest that could distort the advice process and customer decision-making.	Comment noted.
122	The Life Insurance Association of Japan	The LIAJ would like to introduce the following Japanese initiative as an example of how to accommodate specific customer segments and recommends including it in the Paper. The LIAJ has developed voluntary guidelines and other materials to promote initiatives that take the needs and circumstances of the elderly into account. In view of the progression of the super-ageing society, these guidelines set out basic ideas and points to note for each of the steps in life insurance for elderly customers, from contract signing to procedures for making claims, and share cases of initiatives taken by life insurers. Examples of such measures at the time of contract signing include multiple opportunities to meet for insurance sales, the attendance of family members and verification of the customer's understanding.	Thank you for the example that is noted with interest and is commendable. It has not been added into the blue box because the examples listed there are only of actions by supervisors.
123	APCIA	The effectiveness of tools including enhanced disclosure and sales practice restrictions should vary depending on the product, distribution channel, and consumer context. Behavioral or structural interventions such as deferral periods or restrictions on compensation, should therefore be proportionate, evidence-based, and carefully connected to the specific risks they are intended to address. Care should be taken to ensure that such measures do not unduly limit consumer choice, access to products, or the availability of advice, especially where advice plays an important role in helping consumers navigate complex decisions.	Comment noted. Examples are now expressly indicated as illustrative. On the topic of advice, and consumer's making choices see IAIS response E.

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124	Conference of European Bancassurers (CEB)	The aforementioned cases refer to very specific situations within particular regulatory and market practice contexts, and therefore cannot be extrapolated to other jurisdictions. In many instances, the cases cited go beyond questionable practices permitted by regulations and could be considered fraud. A balance must be struck between consumer protection and making insurance more accessible. In various jurisdictions, emphasis has been placed on the rights of early cancellation and exit from insurance policies rather than restrictions on purchasing them. Protection through cancellation rights is more effective in safeguarding customers than restrictions on purchasing insurance. For example, some jurisdictions introduced counterproductive "protective measures", such as a ban of commissions, which have excluded non-wealthy clients from the life insurance market or led to the disappearance of certain insurance products, thereby preventing clients from being correctly protected.	Comment noted.
125	France Assureurs	France Assureurs notes that the section should make clear that the examples provided are jurisdiction- and product-specific. Measures such as fulfilment ratios, cost-benefit ratios and deferred sales models may be relevant in specific markets or for specific products but should not be presented as tools that are suitable across all products and markets. For example, in the EU, the concept of "in good time before" works well within the insurance framework and EU consumers appreciate the speed and ease of entering a contract and receiving immediate insurance protection is essential for consumers. Therefore, mandatory waiting periods would not work well. In addition, indicators such as fulfilment ratios and cost-benefit ratios may provide useful information in specific cases, but they may not capture the full range of benefits, guarantees, protection features, services or advice provided to the customer. France Assureurs supports the point made in the Netherlands example that consumer protection should not rely simply on more disclosure. Information should be clear, proportionate and useful for decision-making. Overly detailed or technical disclosures may increase information overload and reduce consumer understanding. France Assureurs strongly supports the recognition of the role of advice in the New Zealand example. Advice helps consumers understand their needs, compare options, assess trade-offs, understand the product's key features and navigate claims. This is particularly important for long-term products such as insurance-based investment products.	Comments noted. Examples are now expressly indicated as illustrative.
126	The Geneva Association	We support evidence-based measures that reduce pressure selling, improve comparability and give customers genuine opportunity to understand what they are buying. At the same time, these tools should remain proportionate and product-specific. The final paper should avoid suggesting that one sales architecture or one set of behavioural interventions is appropriate across all products, channels	Comment noted.

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		and jurisdictions, particularly where access to advice and convenient distribution can also support better customer outcomes. It is also important to note that in, some jurisdictions "protective measures such as the ban of commissions have excluded non-wealthy clients from the life insurance market or led to the disappearance of certain insurance products, thereby preventing clients from being correctly protected.	
127	Insurance Europe	Insurance Europe notes that the section should make clear that the examples provided are jurisdiction- and product-specific. Measures such as fulfilment ratios, cost-benefit ratios and deferred sales models may be relevant in specific markets or for specific products, but should not be presented as tools that are suitable across all products and markets. For example, in the EU, the concept of "in good time before" works well within the insurance framework and EU consumers appreciate the speed and ease of entering into a contract and receiving immediate insurance protection. Therefore, mandatory waiting periods would not work well. In addition, indicators such as fulfilment ratios and cost-benefit ratios may provide useful information in specific cases, but they may not capture the full range of benefits, guarantees, protection features, services or advice provided to the customer. Insurance Europe supports the point made in the Netherlands example that consumer protection should not rely simply on more disclosure. Information should be clear, proportionate and useful for decision-making. Overly detailed or technical disclosures may increase information overload and reduce consumer understanding. Insurance Europe strongly supports the recognition of the role of advice in the New Zealand example. Advice helps consumers understand their needs, compare options, assess trade-offs, understand the product's key features and navigate claims. This is particularly important for long-term products such as IBIPs.	Comment noted. Examples are now expressly indicated as illustrative.
128	Global Federation of Insurance Associations (GFIA)	The effectiveness of tools including enhanced disclosure and sales practice restrictions should vary depending on the product, distribution channel, and consumer context. Behavioural or structural interventions such as deferral periods or restrictions on compensation, should therefore be proportionate, evidence-based, and carefully connected to the specific risks they are intended to address. Care should be taken to ensure that such measures do not unduly limit consumer choice, access to products, or the availability of advice, especially where advice plays an important role in helping consumers navigate complex decisions.	Comment noted.

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129	International Actuarial Association (IAA)	In some jurisdictions, consumer protection laws strengthen consumers' rights and require that an insurance policy becomes effective only once the consumer has provided written consent. It is generally good practice to require comparable information from different market players. For example, the Key Information Document (KID) is required in many jurisdictions when insurance based investment products are sold. A typical KID includes a product overview, main risks, costs and fees, potential returns or benefits, term and cancellation conditions, and an explanation of the complaints process. The IAA notes that comparisons, including KID, often include information that is subject to the judgement of the insurance company. The Issues Paper describes, for example, the Hong Kong fulfilment ratio disclosure requirement as a useful indicator of value for money. IAA states that this framing may overstate the tool's utility. The ratio measures whether the insurer has delivered against its own point-of-sale illustration; it does not address whether the illustration assumptions were realistic, whether total returns are competitive, or whether bonuses are distributed equitably across policy generations within a participating fund. A high fulfilment ratio is compatible with low absolute returns and with inter-generational inequity. This connects to the bonus distribution point raised in Q8. The Issues Paper should qualify the presentation of fulfilment ratios accordingly. In addition to the KID, for example, in Finland, the Financial Supervisory Authority, in its regulations and guidelines on "Disclosure of expenses and returns of long term savings agreements and insurance policies," has defined not only the types of expenses that must be taken into account when providing an offer to a customer, but also that the offer must be calculated both assuming a zero discount rate (or another discount rate specified in the policy, if applicable) and a justified and realistic expected return. The zero return information enables customers to compare different insurance companies. The regulation also specifies that the illustrations must be prepared without taking taxation into account. The calculations may only take into account such discounts granted to the customer that are binding on the supervised entity.	The example from Finland has been included in consultation with the Finnish Financial Supervisory Authority. Fulfilment ratio, and how it is described in the paper, is not intended to be positioned as a single-best answer to address all potential concerns. HKIA explains: As in all jurisdictions, there is a wide suite of regulatory tools and measures that address relevant concerns and complement with the fulfillment ratio to enhance customer protection. For the purpose of this draft paper, the article contributed by us serves as a highlight of regulatory tool, that has yet to be widely adopted in most other jurisdictions, aiming to assist policyholders to make better informed decision by illustrating how likely/unlikely the non-guaranteed benefits will be paid. Further, the HKIA will carry out consultation on

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			reform of point-of-sale disclosures in an attempt to provide a more concise presentation to potential customers as well as reviewing the existing disclosure requirements so as to enhance customers' understanding on product features and associated risks. HKIA also explains: it should be recognized that the competition is keen in the Hong Kong's life insurance market, where insurers are competing on providing more attractive total return. Also, under the regulatory regime in Hong Kong, insurers are not required to seek prior approval from regulator for the launch of participating life insurance products and on the use of assumptions. Against this backdrop, guidelines (eg. GL28: Guideline on Benefit Illustrations For Long Term Insurance Policies) have been promulgated by the HKIA to

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			set out requirements on the use of illustration assumptions. Further guidelines are also issued by the Actuarial Society of Hong Kong to provide instructions to actuaries in Hong Kong. The HKIA is of the view that peer pressure and pressure from the general public, given the disclosure of fulfillment ratios, represent the more effective way to steer insurers for the adoption of realistic assumptions. Lastly, to address remaining concern on the use of overly aggressive assumptions and illustrative returns, the HKIA issued a circular on 28 February 2025 to impose cap (of 6% p.a. and 6.5% p.a., depending on currencies) on the illustrative return of participating products. Regarding bonus distribution, the HKIA has promulgated GL34: Guideline on Governance and Management of Fund(s) of Participating

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			Business that sets out the governance requirements, including concerns on fairness and equity of distribution. Further guidelines are also issued by the Actuarial Society of Hong Kong to provide instructions to actuaries in Hong Kong,
130	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. France Assureurs notes that the section should make clear that the examples provided are jurisdiction- and product-specific. Measures such as fulfilment ratios, cost-benefit ratios and deferred sales models may be relevant in specific markets or for specific products but should not be presented as tools that are suitable across all products and markets. For example, in the EU, the concept of "in good time before" works well within the insurance framework and EU consumers appreciate the speed and ease of entering a contract and receiving immediate insurance protection is essential for consumers. Therefore, mandatory waiting periods would not work well. In addition, indicators such as fulfilment ratios and cost-benefit ratios may provide useful information in specific cases, but they may not capture the full range of benefits, guarantees, protection features, services or advice provided to the customer. France Assureurs supports the point made in the Netherlands example that consumer protection should not rely simply on more disclosure. Information should be clear, proportionate and useful for decision-making. Overly detailed or technical disclosures may increase information overload and reduce consumer understanding. France Assureurs strongly supports the recognition of the role of advice in the New Zealand example. Advice helps consumers understand their needs, compare options, assess trade-offs, understand the product's key features and navigate claims. This is particularly important for long-term products such as insurance-based investment products.	Comments noted. Examples are now expressly indicated as illustrative.
131	American Council of	The NAIC has undertaken substantial efforts to enhance consumer understanding of insurance products through tailored disclosures, suitability standards, and related guidance designed to support clear and informed consumer decision-making.	Comment noted.

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	Life Insurers (ACLI)	For example, the NAIC Advertisements of Life Insurance and Annuities Model Regulation establishes required disclosures of material information in the advertising of life insurance policies and annuity contracts. Similarly, the Life Insurance Illustrations Model Regulation sets consistent formats, standards, and disclosure requirements for illustrations, with the goal of preventing misleading representations and improving consumer comprehension of product features and outcomes. Ensuring that disclosures focus on material risks enhances understanding and reduces the length of paperwork for consumers to wade through. The NAIC has developed consumer-facing resources, including the Life Insurance Buyer's Guide, A Shopper's Guide to Long-Term Care Insurance, and the Annuity Buyer's Guide. These resources are intended to provide clear, accessible information to support consumer decision-making. ACLI has supported these efforts and continues to work with regulators to modernize these materials to capture more innovative and complex products while explaining the functions accurately. More broadly, an understanding of consumer behavior and risk awareness within specific jurisdictions is a foundational element of the U.S. state-based insurance system. Because insurance regulation occurs at the state level, regulators are able to tailor communications and consumer protections to reflect local market conditions and emerging risks, thereby enhancing the effectiveness of consumer engagement and protection.	An example from the USA is now added to the blue box in section 3.3. The consumer-facing resources mentioned are already referenced in the USA example in section 3.4 Consumer education and information.
Comments on section 3.4 Consumer education and information			
132	National Insurance Commission, Abuja Nigeria	This supervisory approach seems appropriate, and it can be adopted in Nigeria. It is similar to market development and restructuring initiative by the National Insurance Commission, Nigeria.	Comment noted.
133	Brenda Cude University of Georgia, USA	In the Belgium section, the word "costs" seems odd. --"Institutions offering second- and third-pillar pension products charge costs for their services. These costs affect the ultimate outcome of the savings made." I'm not sure what it means.	Information about this cost comparison tool in Belgium can be found online https://www.fsma.be/en/news/fsma-launches-new-version-its-

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			cost-comparison-tool-pension-products Costs have a significant impact on the accumulated pension. For example, saving in an average retirement savings fund with a 2.40% entry fee and 1.30% ongoing fees will cost the saver 1.50% in annual returns over a 40-year period. In the long run, the fees charged reduce the accumulated capital by nearly 30%. For more expensive products, the impact is, of course, even greater.
134	Allianz SE	Allianz agrees that consumer education complements, but does not replace, strong product governance. Furthermore we support efforts to enhance the financial literacy of consumers, especially regarding the advantages of long-term collective savings and lifelong annuities.	Comment noted.
135	The Life Insurance Association of Japan	The LIAJ would like to introduce the following Japanese initiatives as examples of the public and private sectors working in unison to promote financial education, and recommends including them in the Paper. Two trade associations from the life insurance sector — the LIAJ and the Japan Institute of Life Insurance (JILI) — have developed an “informative package for all generations” (for those from elementary-school children to adults), providing educational materials for schools and video content to learn broadly about life planning and the social security system, aiming to support a wide range of generations to better understand life insurance and life planning. Individual life insurers also provide financial education by sending lecturers to schools, or organising seminars for company employees. In addition, the Japanese government established the Japan Financial Literacy and Education Corporation in 2024 to promote financial education from a neutral non-business standpoint.	Comment noted. Thank you for the example that is noted with interest and is commendable. It has not been added into the blue box because the examples listed there are only of actions by supervisors.
136	Conference of European	The CEB strongly supports the emphasis placed on consumer education in this section and considers that it should be further reinforced and more prominently positioned within the overall analytical	Comments noted.

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	Bancassurers (CEB)	framework, given its central role in shaping consumer outcomes in insurance markets. Financial education is not only a complementary element but a fundamental driver of both insurance uptake and consumer perception of value, and therefore deserves a more explicit and comprehensive treatment. In particular, the CEB emphasises that financial literacy and risk awareness constitute the primary foundations upon which meaningful engagement with insurance is built. One of the key structural challenges in insurance markets is that demand for protection often does not arise spontaneously, as consumers may underestimate risks or defer consideration of adverse events. Strengthening financial education therefore plays a critical role in enabling consumers to recognise their exposure to risk and to understand the relevance of insurance as a tool for managing that exposure. In this respect, improving risk awareness is likely to have a far more substantial impact on insurance uptake and consumer outcomes than a narrow focus on value metrics alone. Furthermore, financial education contributes decisively to helping consumers understand that the core value delivered by risk insurance lies in protection, rather than in immediate or observable financial returns. This protection is what enables individuals and businesses to engage in everyday activities and economic decisions with confidence, knowing that adverse events can be managed. At a broader level, insurance provides society with a collective safety net that complements public systems, facilitating economic activity and resilience in a way that would be unfeasible to replicate through purely public mechanisms. This systemic role of insurance should be more clearly reflected in the section, as it is essential to understanding the full value of insurance products. The CEB also underlines that improved financial literacy can help reduce the gap between consumer expectations and actual product characteristics, particularly with regard to elements such as exclusions, coverage limitations or pricing dynamics. Many perceptions of low value stem not from inherent product deficiencies, but from a lack of understanding of how insurance works, including the probabilistic nature of coverage and the need for trade-offs between comprehensiveness, affordability and sustainability. By enhancing consumer understanding, education can therefore contribute directly to improving perceived value and reducing dissatisfaction or complaints. In addition, a more financially literate consumer base is better equipped to navigate product offerings, identify solutions that meet their needs and make informed decisions, even in the presence of complex features or information asymmetries. This reduces the reliance on overly prescriptive supervisory interventions and supports a more efficient functioning of competitive markets, in which informed consumers and responsible providers interact to deliver appropriate outcomes.	See IAIS response E. Edits have been made in the paper, to further emphasise that consumer education plays a role in consumers' understanding.

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		The CEB also considers that the role of distribution channels, particularly those based on proximity and trusted relationships such as bancassurance, should be recognised as complementary to formal education efforts. These channels often play an important role in explaining products, contextualising risks and supporting customer understanding, thereby contributing to financial education in practice. This reinforces the importance of preserving the diversity of distribution models, which can act as effective conduits for knowledge and awareness. At the same time, the CEB reiterates that consumer education should be understood as a long-term structural policy objective, requiring coordinated efforts by public authorities, industry stakeholders and educational institutions. While it may not produce immediate effects, it constitutes one of the most effective and sustainable means of improving consumer outcomes, strengthening trust and supporting the development of insurance markets. Finally, the CEB considers that a stronger emphasis on financial education would also help to rebalance the overall narrative of the Issues Paper, by shifting the focus from potential shortcomings of products towards the broader conditions that enable consumers to understand, access and benefit from insurance. This would support a more proportionate and evidence-based approach to value for money, aligned with the actual drivers of consumer behaviour and with the overarching objective of enhancing financial protection and resilience. In light of the above, the CEB recommends that Section 3.4 be further developed to more explicitly recognise financial literacy and risk awareness as cornerstone elements of consumer protection and value creation in insurance, and to reflect their critical role in enabling individuals and society as a whole to benefit from the protection that insurance provides.	
137	France Assureurs	France Assureurs supports initiatives that improve financial literacy and consumers' understanding of insurance. Better financial education can strengthen consumer confidence, support more informed financial decisions and help consumers better understand their protection needs. Consumer education should focus on practical understanding of insurance, including risk pooling, coverage, exclusions, premiums, claims processes cand the importance of reviewing insurance needs over time. It should help consumers understand what the purpose of insurance is and not only how much it costs. At the same time, comparison tools should be treated with caution. They can oversimplify decision-making as they focus mainly on costs rather than qualitative elements. This is particularly relevant for IBIPs, which combine investment opportunities with insurance protection and include important qualitative features such as financial guarantees, biometric cover, risk-mitigation techniques and long-	Comments noted. See IAIS response E. Thank you for sharing these examples.

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		term planning features. A simple online comparator may not properly reflect these features and could be misused or misunderstood as a ranking of "good" and "bad" products. Any consumer-facing tool should therefore clearly explain its limitations. It should not imply that the cheapest product is necessarily the most suitable product or that value can be assessed without considering the consumer's needs, product features, guarantees, risks, services and advice. In France, the Financial Sector Advisory Committee (CCSF) has been tasked with conducting a fully transparent review of the performance and fees of the most widely used savings products. The CCSF has therefore established an Observatory on Financial Savings Products (OPEF), composed of equal numbers of representatives from the financial sector and consumer and saver associations, as well as experts from the Autorité des marchés Financiers (AMF), the Autorité de contrôle prudentiel et de résolution (ACPR), and the Directorate General of the Treasury. The OPEF's first report was published in June 2025 and will be updated annually. With this new tool, savers have access to a comprehensive overview of the various savings options available, of which insurance products constitute a major component. In particular, the report offers educational analyses of the links that may exist between investment duration, risk appetite, liquidity requirements, diversification of investment vehicles and product performance. In addition, the online portal "Mes questions d'argent" offers neutral, reliable and free educational content on topics related to personal finance, including insurance. Created as part of the national financial education strategy implemented by the Banque de France, this website provides access to practical guides to give consumers the tools to understand insurance and choose the best product for their needs.	
138	The Geneva Association	We strongly support this section and would encourage the IAIS to give it even greater prominence. Financial literacy and independent, comprehensible information are central to better value outcomes, especially where products are complex or long-term. We suggest adding that governments, supervisors and industry each have a role to play; insurers cannot by themselves resolve broader customer-understanding gaps.	Comment noted. See IAIS response E.
139	Insurance Europe	Insurance Europe supports initiatives that improve financial literacy and consumers' understanding of insurance. Better financial education can strengthen consumer confidence, support more informed financial decisions and help consumers better understand their protection needs. Consumer education should focus on practical understanding of insurance, including risk pooling, coverage, exclusions, premiums, claims processes and the importance of reviewing insurance needs over time. It should help	Comment noted. See IAIS response E.

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		consumers understand what is the purpose of insurance and not only how much it costs. For example, in France, the online portal “Mes questions d’argent” offers neutral, reliable and free educational content on topics related to personal finance, including insurance. Created as part of the national financial education strategy implemented by the Banque de France, this website provides access to practical guides to give consumers the tools to understand insurance and choose the best product for their needs. Besides, the Financial Sector Advisory Committee (CCSF) established an Observatory on Financial Savings Products (OPEF), which published a report on the French investment market. The report provides an overview of the links that may exist between investment duration, risk appetite, liquidity requirements, diversification of investment vehicles and product performance. Insurance Europe’s Consumer Hub displays various national initiatives aimed at improving financial education, consumer awareness and people’s understanding of insurance products. At the same time, comparison tools should be treated with caution. They can oversimplify decision-making as they focus mainly on costs rather than qualitative elements. This is particularly relevant for IBIPs, which combine investment opportunities with insurance protection and include important qualitative features such as financial guarantees, biometric cover, risk-mitigation techniques and long-term planning features. A simple online comparator may not properly reflect these features and could be misused or misunderstood as a ranking of “good” and “bad” products. Any consumer-facing tool should therefore clearly explain its limitations. It should not imply that the cheapest product is necessarily the most suitable product or that value can be assessed without considering the consumer’s needs, product features, guarantees, risks, services and advice.	
140	Global Federation of Insurance Associations (GFIA)	In France, the Financial Sector Advisory Committee (CCSF) has been tasked with conducting a fully transparent review of the performance and fees of the most widely used savings products. The CCSF has therefore established an Observatory on Financial Savings Products (OPEF), composed of equal numbers of representatives from the financial sector and consumer and saver associations, as well as experts from the Autorité des marchés Financiers (AMF), the Autorité de contrôle prudentiel et de résolution (ACPR), and the Directorate General of the Treasury. The OPEF’s first report was published in June 2025 and will be updated annually. With this new tool,	Comment noted. See IAIS response E.

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		savers have access to a comprehensive overview of the various savings options available, of which insurance products constitute a major component. In particular, the report offers educational analyses of the links that may exist between investment duration, risk appetite, liquidity requirements, diversification of investment vehicles and product performance. In addition, the online portal “Mes questions d’argent” offers neutral, reliable, and free educational content on topics related to personal finance, including insurance. Created as part of the national financial education strategy implemented by the Banque de France, this website provides access to practical guides to give consumers the tools to understand insurance and choose the best product for their needs.	
141	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. Comment #137 repeated.	Comment noted.
142	American Council of Life Insurers (ACLI)	See also comments on Section 3.3.	Comment noted.
General comments on section 4 Aspects that can diminish the value offered by insurance			
143	National Insurance Commission, Abuja Nigeria	Supervisor can have a regulatory approach that focuses on the impacts that are associated with all the stages of the life cycle of insurance product, including the processes that leads from design to sales and claims handling.	Noted. No revision required.
144	The Geneva Association	This section identifies real risks, but the overall tone could be better balanced. As drafted, some legitimate market features appear to be presented as inherently suspect. We suggest clarifying that the concern is not product differentiation, distribution choice or pricing structure as such, but rather cases where those features are applied in a way that is coercive, opaque, poorly governed or misaligned with the needs of the intended target market.	See IAIS response F and I.

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145	International Actuarial Association (IAA)	We note that this section could mention that poor service levels may be a factor in diminished value.	Noted. No revision required.
146	Allianz SE	Allianz concurs that misalignment of needs, pricing issues, conflicts of interest and complexity are key aspects of low value. These risks are embedded in our product lifecycle governance, through mandatory mitigation and escalation mechanisms, ensuring a comprehensive and continuous assessment of customer value across all stages.	Noted. No revision required.
147	Institute of International Finance (IIF)	While we support action against clear conduct failures (e.g. broken discount promises, misleading renewal comparisons, systematic claims denial), we would caution against any framing that treats risk-sensitive or commercially motivated pricing as presumptively harmful. Margin differentiation based on risk profile, and actuarial considerations is a normal and legitimate commercial practice, and we ask the IAIS to draw an explicit line between deceptive pricing conduct warranting supervisory action and risk-based or commercially motivated pricing differentials that should remain within insurers' commercial and actuarial discretion. We would make a parallel observation in respect of commissions and distribution conflicts of interest. Depending on the product and the marketplace, commissions can be essential to product distribution and consumer access to insurance, and we caution against any framing that treats them as presumptively harmful to consumer value. The payment of commissions does not inherently give rise to a conflict of interest, and potential conflicts related to commission payments can be effectively prevented through regulatory requirements and internal governance. We also note that commission prohibition may in some markets work to the detriment of customers, who would otherwise be required to pay a fee for advice independently of whether an insurance contract is concluded. We discuss this further in our comments on Section 6.5 below. Exclusions are equally fundamental to sound underwriting and risk-based pricing, and the appropriate supervisory concern should be transparency and clear communication to customers rather than the exclusions themselves. Mandating broader coverage without corresponding premium adjustments would	See IAIS responses F, I and M. Section 4 was revised to better distinguish between legitimate insurance product features and practices that may diminish customer value. The revised text now recognises that exclusions, product complexity, commissions, pricing structures and bundled sales may serve legitimate insurance, underwriting and distribution objectives. The discussion focuses on circumstances where these features are poorly governed, inadequately communicated, create conflicts of interest or

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		undermine actuarial soundness and erode market viability. Similarly, while bundling can obscure individual product value, it can also increase insurance access and serve underserved populations (as acknowledged in Para. 50). Regulatory approaches should focus on preventing coercive or deceptive bundling rather than presuming that bundling is inherently value-diminishing.	lead to poor customer outcomes
148	Conference of European Bancassurers (CEB)	The CEB considers that the analytical framing of this section would benefit from a clearer and more rigorous distinction between structural characteristics of insurance products, isolated cases of misconduct, and genuinely systemic issues affecting value. In particular, with regard to paragraph 43, several of the examples provided appear, in practice, to relate to situations that are more appropriately characterised as breaches of contract, mis-selling, fraud or malpractice, rather than as intrinsic features that diminish value. Cases such as the sale of products to ineligible customers or the failure to honour contractual commitments should therefore be clearly identified as zero-value outcomes resulting from non-compliance, which are already addressed through existing legal frameworks, supervisory enforcement mechanisms and judicial remedies. Conflating such situations with broader value considerations risks blurring the analytical framework and may lead to inappropriate or disproportionate policy conclusions. More generally, the CEB emphasises that several elements presented as potential drivers of diminished value—such as exclusions, product design features, pricing structures or product complexity—are, in reality, necessary and legitimate components of insurance design. Coverage exclusions and limitations are essential to ensure technical sustainability, risk differentiation, affordability and product diversity. A theoretical approach that implicitly associates fewer exclusions with higher value fails to recognise the fundamental trade-offs inherent in insurance, and could ultimately result in higher premiums and reduced accessibility for consumers. These features should therefore be assessed in terms of clarity, proportionality and transparency, rather than being characterised as inherently detrimental. Similarly, the assessment of pricing should explicitly acknowledge that low-cost insurance products play a critical role in enhancing financial inclusion. Such products often rely on simplified structures and efficient distribution models, which may result in relatively higher cost ratios in percentage terms, without implying excessive pricing in absolute terms. Experience from certain markets indicates that the removal or restriction of these products has not resulted in improved consumer perception or increased uptake of	See IAIS responses F, I and M. Section 4 was revised to provide a more balanced discussion of factors that may diminish customer value. Additional text was included recognising that insurance product design involves trade-offs between coverage, affordability and sustainability, and that features such as exclusions, bundled arrangements, product complexity and commissions may serve legitimate purposes and do not inherently indicate poor value. The revised drafting also acknowledges that bundled and embedded insurance arrangements may provide consumer benefits in certain circumstances.

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		alternative coverage, underlining the importance of maintaining a diverse, flexible and accessible product landscape. With regard to paragraphs 51, 52 and 53, the CEB considers that the treatment of cross-selling, bundled and tied sales practices is insufficiently balanced, as it focuses predominantly on potential risks while underestimating their substantial and welldocumented contribution to consumer outcomes, market development and financial inclusion. These practices are a core pillar of bancassurance and modern insurance distribution, and they play a central role in connecting insurance products with consumers at relevant decision points. In many cases, they represent the primary channel through which consumers are introduced to and ultimately acquire insurance protection, particularly in contexts where demand does not naturally arise due to low levels of risk awareness, behavioural biases or limited engagement. From this perspective, cross-selling and bundled offerings should be understood as mechanisms that actively generate and enhance value, rather than as potential sources of detriment. They provide convenience, simplicity and integrated solutions, reduce transaction and search costs, and allow insurance to be embedded within broader financial relationships. Importantly, they enable economies of scale and distribution efficiencies that contribute to making insurance more affordable and accessible. This is particularly relevant for underserved or less financially engaged segments of the population, for whom standalone insurance products are often neither actively sought nor easily accessible. As such, these practices play a decisive role in extending coverage, reducing protection gaps and strengthening societal resilience. The CEB also underlines that there is no consistent empirical evidence demonstrating that cross-selling or bundled practices systematically result in poorer consumer outcomes, nor that restricting them improves consumer welfare. Potential risks associated with these practices—such as limitations in transparency or consumer understanding—should be addressed through targeted, proportionate and well-calibrated safeguards, rather than through restrictive or prohibitive approaches. In this regard, the CEB stresses the importance of clear disclosure, transparency of product features and pricing, and the effective exercise of consumer choice, including straightforward cancellation options. Crucially, the CEB highlights that the ongoing	The paper continues to discuss situations where these features may contribute to diminished value, particularly where customer needs, transparency, governance or consumer understanding are adversely affected.

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		technological transformation of the insurance and banking sectors is significantly strengthening these safeguards. Digitalisation is enabling the provision of clearer, more timely and more accessible information, improving comparability, enhancing consumer understanding and facilitating informed decision-making. As a result, many of the concerns historically associated with bundled or cross-sold products are increasingly mitigated through improved transparency and user-centric design. Regarding remuneration structures referenced in this context, the CEB cautions against any implicit assumption that commissions or distribution costs inherently diminish value or constitute a structural conflict of interest. Such an approach would be reductive and not specific to insurance, as similar mechanisms exist across multiple sectors of the economy. Commissions serve to remunerate distribution, advice and ongoing customer service throughout the life of the contract, and their assessment should be based on their proportionality to the value delivered, rather than on their existence per se. Evaluating value solely through the lens of cost components, without considering the benefits of access, advice, servicing and claims support, risks producing an incomplete and potentially misleading assessment. The CEB reiterates that consumer decisions are inherently multi-dimensional, shaped by both objective and subjective factors, including trust, convenience, proximity and existing relationships with financial institutions, particularly in bancassurance models. These elements are central to the consumer experience but are not easily captured by quantitative metrics. An analytical framework that prioritises narrow or purely metric-based definitions of value risks overlooking these critical dimensions and may lead to overly simplified policy conclusions. In this context, the CEB emphasises once again that regulation and supervision should not override or substitute the free decisions of consumers, even where such decisions reflect behavioural preferences or subjective considerations. The appropriate role of supervisory authorities is to ensure a fair, transparent and well-functioning market, grounded in robust conduct standards and effective enforcement, while allowing consumers to exercise their preferences within a competitive environment. Overly interventionist approaches risk distorting market dynamics, reducing product diversity and limiting access to insurance, particularly for more vulnerable or less engaged segments of the population.	

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		In light of the above, the CEB recommends that Section 4 be revised to ensure a more proportionate, evidence-based and balanced assessment, explicitly distinguishing between misconduct and structural features of insurance, and fully recognising the positive and essential contribution of bancassurance, cross-selling and bundled offerings to value creation, financial inclusion and the expansion of insurance protection across society.	
149	France Assureurs	France Assureurs supports the lifecycle perspective reflected in this section. Customer value is assessed when products are designed, distributed, serviced and reviewed with the target market's needs, objectives and characteristics in mind. This approach is consistent with the EU IDD POG framework, which already requires manufacturers and distributors to take account of the target market, distribution strategy, product review and customer outcomes. The reference to "unfair pricing" should also be understood carefully. Practices that lead to unfair customer outcomes should be addressed where identified, but this should not be confused with legitimate risk-based pricing, nor should it restrict product manufacturers' freedom to set premiums. Any supervisory approach should avoid becoming price control in practice.	See IAIS response F and I. Detailed references to specific regional frameworks (eg EU IDD POG) were not incorporated given the paper's international scope.
150	Insurance Europe	Insurance Europe and its members support the lifecycle perspective reflected in this section. Customer value is assessed when products are designed, distributed, serviced and reviewed with the target market's needs, objectives and characteristics in mind. This approach is consistent with the EU IDD POG framework, which already requires manufacturers and distributors to take account of the target market, distribution strategy, product review and customer outcomes. The reference to "unfair pricing" should also be understood carefully. Practices that lead to unfair customer outcomes should be addressed where identified, but this should not be confused with legitimate risk-based pricing, nor should it restrict product manufacturers' freedom to set premiums. Any supervisory approach should avoid becoming price control in practice.	See response to comment #149.
151	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. Comment # 149 repeated.	See response to comment #149.

#	Respondent	Comment	Resolution of comment
Comments on section 4.1 Needs-benefits misalignment			
152	National Insurance Commission, Abuja Nigeria	This approach is similar to NAICOM regulatory sandbox. A Guidelines was issued to support its implementation. The supervisory approach can guarantee consumer interest is protected and that a product provides fair value for its intended needs.	Noted. No revision required.
153	Aurevo Lab	Section 4.1 frames needs-benefits misalignment primarily as a point-of-sale condition: a product that does not offer reasonable value from the outset should not be sold to that customer, and exclusion clauses reduce the likelihood the customer gets what they expected. This is correct but incomplete for one large product class — residential property insurance — where the most consequential misalignment is not present at the outset and is not located in the contract wording. It emerges over time, in the insured asset itself. A dwelling is not a static object over the life of a policy. Its effective condition — the gap between what the property nominally is on paper and what it will actually cost to keep liveable and insurable — follows a path. That path is shaped by cumulative moisture intrusion, electrical-loading creep as devices accumulate faster than circuits are re-rated, behavioural drift in occupant use, and demographic shift as occupants age in place without corresponding environmental adaptation. A product that was well-matched to the dwelling and the household at inception can become materially misaligned with both, without a single word of the contract changing and without any event a standard renewal process is designed to detect. The paper's own examples gesture at this without naming it. The difficulty consumers face in setting and revising a sum insured (paragraph 56) is a symptom of a deeper fact: neither the customer nor the standard transactional workflow has a structured, repeatable way to assess the dwelling's effective-condition trajectory. The misalignment is therefore not only between the customer's needs and the product's benefits; it is between the product's pricing assumptions and the actual, drifting state of the asset those assumptions rest on. This matters for the paper's central question because it identifies a class of low value that is invisible to the instruments section 4.1 currently relies on. A product can pass every needs-benefits test at the point of sale and still deliver diminishing value across its life, precisely because the asset underneath it	Comment noted. The text in section 5.3 on product flexibility and responsiveness have relevance too.

#	Respondent	Comment	Resolution of comment
		is on a non-linear condition trajectory that point-in-time assessment cannot see. Empirical work on a 1,000-case residential cohort (one stage of a larger cross-market case base) is consistent with this: the divergence between a structured non-invasive assessment and the standard transactional reference workflow is not uniform across the housing stock but compressed into a transition band around three decades of building age, beyond which the two diverge almost completely. The cohort is a convenience sample and the finding is descriptive and classificatory, not predictive of realised loss; it does not on its own identify the mechanism. But it is sufficient to suggest that needs-benefits misalignment in residential insurance has a structural, time-dependent component that the paper's outset-focused framing does not yet capture.	
154	Allianz SE	Allianz agrees that needs-benefits misalignment is a primary cause of poor value and therefore a clear target market definition, suitability assessments and restrictions on sales outside the target market are required and should be supported with data-driven oversight.	Noted. No revision required.
155	APCIA	In paragraph 37 it states that sales should be made only to the target market. The wording might be too strict. Sales outside the target market could benefit the customer, if the product is still aligned with his/her needs. In paragraph 39 and elsewhere the paper takes a critical view of exclusion clauses. While exclusion clauses can contribute to challenges in consumer understanding where not clearly communicated, their role is more nuanced and important for consumers and insurers. Exclusions are a fundamental component of insurance product design, enabling insurers to define the scope of coverage and manage risk appropriately. Exclusions provide a degree of flexibility that allows for some (non-excluded) coverage by limiting exposure to risks that cannot be priced or pooled effectively. In other cases, exclusion clauses are necessary to enable the insurer to provide some coverage but at the same time make clear the limits of that coverage, which is important for consumer understanding and for the sustainable provision of insurance. Accordingly, the focus should be on ensuring that exclusions are clearly articulated, transparent, and appropriately reflected in product design and distribution, rather than viewing their presence as inherently diminishing value.	See IAIS response I. Amendments have been made to avoid suggesting an absolute prohibition on sales outside the identified target market. The revision recognises that products may still be suitable where demands-and-needs or suitability assessments demonstrate alignment with customer circumstances. The discussion of exclusions was also revised.
156	Conference of European Bancassurers (CEB)	This section includes an isolated case of malpractice that could be considered fraud. It is not representative of the insurance market as a whole, and supervisory policies or positions should not be based on this type of practice, which should be reviewed in court. The legislation of various jurisdictions contains provisions that deem these types of insurance transactions null and void.	See IAIS response I. The section was revised to recognise that exclusions can be legitimate and necessary

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		Coverage exclusions and limitations (and conversely, inclusions) define the protection provided by insurance. If all insurance policies had the same coverages and exclusions, there would be no R&D or competition, and insurance would become a commodity. Furthermore, coverage exclusions define the situations not covered, reducing the cost of insurance. If insurance covered all risks under all circumstances, the price would be prohibitive. Therefore, reasonable coverage exclusions (those that do not render the policy meaningless) are a matter of balance and should not be seen as a negative aspect of insurance. A modification of the wording of this section 39 is proposed.	features of insurance design which support affordability and sustainability. The discussion now focuses on circumstances where exclusions are not appropriately disclosed, understood or aligned with consumer expectations.
157	France Assureurs	The objective of ensuring that insurance products are designed and distributed with the relevant customer group in mind is already embedded in the relevant EU regulatory framework. Under the IDD POG framework, product manufacturers are required to identify a target market and distributors to ensure that the product proposed is consistent with the customer's demands and needs. At the same time, France Assureurs believes that paragraph 37 should be refined. Products should be designed for, and distributed in line with, the identified target market. However, this should not be understood as an absolute prohibition on sales outside the target market. Such sales may still be appropriate where the individual assessment at the point of sale shows that the product meets the customer's demands and needs and, where relevant, is suitable or appropriate. Lastly, France Assureurs agrees that consumers should be able to understand key limitations and exclusions. Clear information on exclusions supports better consumer decisions and helps avoid misunderstandings at claims stage. In the EU, the Insurance Product Information Document (IPID) already plays an important role for non-life insurance products by presenting key information in a short and consumer-friendly format, including a summary of the main exclusions. More detailed information is provided in the contractual documents, while distributors can provide personalised explanations and answer questions where needed. In addition, the RIS will introduce requirements for the provision of Life Insurance Product Information Document for life insurance products, excluding IBIPs. Clear and consumer-friendly information on exclusions is essential to support informed decision-making and reduce misunderstandings at claims stage. It is important to recall that exclusions in insurance are essential to guarantee the technical balance and affordability of the policy. An insurance policy without any exclusions would have such a high premium that only a few could afford it.	See IAIS response I. Amendments have been made to avoid suggesting an absolute prohibition on sales outside the identified target market. The revision recognises that products may still be suitable where demands-and-needs or suitability assessments demonstrate alignment with customer circumstances. Additional text was also included to recognise that exclusions are legitimate features of insurance design and that customer detriment may arise from poor communication or misunderstanding of exclusions rather than from the existence of exclusions themselves.

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158	Insurance Europe	The objective of ensuring that insurance products are designed and distributed with the relevant customer group in mind is already embedded in the relevant EU regulatory framework. In particular, under the IDD POG framework, product manufacturers are required to identify a target market and distributors to ensure that the product proposed is consistent with the customer's demands and needs. At the same time, Insurance Europe believes that paragraph 37 should be refined. Products should be designed for, and distributed in line with, the identified target market. However, this should not be understood as an absolute prohibition on sales outside the target market. Such sales may still be appropriate where the individual assessment at the point of sale shows that the product meets the customer's demands and needs and, where relevant, is suitable or appropriate. Lastly, Insurance Europe agrees that consumers should be able to understand key limitations and exclusions. Clear and consumer-friendly information on exclusions is essential to support informed consumer decisions and helps avoid misunderstandings at claims stage. In the EU, the Insurance Product Information Document (IPID) already plays an important role for non-life insurance products by presenting key information in a short and consumer-friendly format, including a summary of the main exclusions. More detailed information is provided in the contractual documents, while distributors can provide personalised explanations and answer questions where needed. In addition, the RIS will introduce requirements for the provision of Life Insurance Product Information Document for life insurance products, excluding IBIPs.	See response to comment #157.
159	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. Comment #157 repeated.	See response to comment #157.
160	The Geneva Association	We agree that products should be designed for a clearly identified target market and that exclusions should be understandable and proportionate. At the same time, the final paper should recognise that narrower cover, higher deductibles or more limited benefits can still represent appropriate value where they are transparent and consistent with customer needs, preferences and budgets. Needs-benefits misalignment should therefore be distinguished from informed customer choice among different coverage levels.	See IAIS response I. Edits have been made in section 4.1.
161	Global Federation of Insurance	In Paragraph 37 it is requested that sales are made only to the target market. The wording might be too strict. Sales outside the target market could benefit the customer, if the product is still aligned with their needs.	See IAIS response I. Edits have been made in section 4.1.

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	Associations (GFIA)	In Paragraph 39 and elsewhere the paper takes a critical view of exclusion clauses. Exclusions are a fundamental component of insurance product design, enabling insurers to define the scope of coverage and manage risk appropriately. Exclusions provide a degree of flexibility that allows for some (non-excluded) coverage by limiting exposure to risks that cannot be priced or pooled effectively. In other cases, exclusion clauses are necessary to enable the insurer to provide some coverage but at the same time make clear the limits of that coverage, which is important for consumer understanding and for the sustainable provision of insurance. Accordingly, the focus should be on ensuring that exclusions are clearly articulated, transparent, and appropriately reflected in product design and distribution, rather than viewing their presence as inherently diminishing value. Clear and consumer-friendly information on exclusions is essential to support informed decision-making and reduce misunderstandings at the claims stage.	
Comments on section 4.2 Pricing issues			
162	National Insurance Commission, Abuja Nigeria	As a case study, Nigerian insurance sector was beset with pricing issues until recently when the Commission intervened to stabilise some aspect of the market facing the problem. It is an important aspect of supervision that requires some intended approach interest of all the stakeholders.	Comment noted.
163	Brenda Cude University of Georgia, USA	I don't understand the end of the last sentence in the first paragraph in the Netherlands section ("than on newer consumers in at least non-life product").	Comment noted. Sentence has been corrected.
164	Allianz SE	Allianz supports supervisory attention on pricing fairness and requests fair value assessments, controls on differential pricing practices and safeguards against unfair outcomes, including price walking. However, price differentiation is at the heart of insurance which only works when customers with different risk profiles are priced differently. Only when an insurer can charge more risky customers higher premiums or benefit offsets can the insurance become available in general. Thus, when it is justified by actuarial/mathematical considerations, differential risk selection and pricing is feasible.	Comment noted. See IAIS response F and edits in section 4.2. acknowledging risk-based pricing.
165	The Life Insurance	The LIAJ does not believe that all the cases of failure to deliver promised discounts and preferential treatment are intentional. Due to the complex conditions for applying discounts, discrepancies often	Comment noted.

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	Association of Japan	arise between actual practice and what customers understand or expect. When assessing prices and discounts applied to insurance products, it would be important to consider whether the customers are provided with sufficient explanations. Also, the difference in profit margin between loyal customers and newer customers, as described in the case from the Netherlands, would not necessarily indicate unfair treatment of customers. It should be noted that there could be a rational reason for this difference, such as the difference in the associated costs. The LIAJ also believes that differences in insurance premiums between policyholders should not necessarily be considered problematic. For example, it is common practice to price products differently depending on the method of payment collection and administrative costs. Premium discounts can also be applied to customers of certain products based on their health-promoting or risk-mitigating behaviours. These examples serve to promote risk mitigation through changes in customer behaviour. As such, the LIAJ suggests clarifying that "an issue with the pricing model arises when premiums are differentiated between policyholders without rational grounds, such as risk mitigation or cost reduction."	The Netherlands example is retained as difference in associated costs as well as other differences in the technical premium were accounted for in the methodology. The associated costs were explicitly a part of the technical premium. The AFM Netherlands calculated the profit margin by dividing the technical premium (or costs) by the premium paid. Therefore, the premium differences observed between otherwise similar long-standing and newer customers are a pure reflection of higher profit margins for loyal customers.
166	APCIA	Risk-based pricing is a foundational element of insurance, supporting fairness among policyholders as well as solvency and competitiveness of the market. We continue to believe that competitive markets remain one of the most effective mechanisms for promoting customer value through product innovation, service quality, and efficient pricing. Cost and value are not directly correlated: higher costs may reflect broader coverage, guarantees or services, while lower costs may correspond to more limited protection. In this context, regulatory frameworks already include safeguards against unfair approaches.	Comment noted. See IAIS response F.
167	Conference of European Bancassurers (CEB)	Low-cost insurance has two aspects that must be considered. First, it helps make insurance more accessible to customers, contributing significantly to financial inclusion. Second, it cannot be analyzed using the same parameters as traditional insurance because its distribution involves minimal fixed costs in absolute terms. These costs typically translate into seemingly high commission percentages,	Comments noted. Paragraph 45 (now para 56) has been retained.

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		but in absolute terms, they are low. (For example, insurance policies with a €30 premium where €15 constitutes the distribution commission). In markets where measures have led to the disappearance of these low-cost insurance providers, no improvement in the perception of insurance has been observed, nor has the purchase of other types of insurance increased. Therefore, it cannot be said that these measures have been positive. Policies to ensure fair treatment for customers in this type of insurance include freedom of contract, freedom of cancellation, transparency, and communication. We suggest removing paragraph 45 because it describes a breach of commercial promises, which, under the legislation of most jurisdictions, are binding on the party making them. The cases described in this section are directly related to breaches of contract or fraud.	See IAIS response M.
168	France Assureurs	France Assureurs agrees that cost and value are not directly correlated. A lower-cost product is not necessarily better value, and a higher-cost product is not necessarily lower value. As EIOPA notes in its most recent Cost & Past Performance of retail financial products report "costs do not necessarily imply poor value for money … as value for money is a reflection of costs, benefits and returns". Customer value is a holistic concept and should take account of all relevant quantitative and qualitative features of insurance products, including coverage, guarantees, risk mitigation, services, advice, claims handling and the needs and objectives of the target market. At the same time, cost transparency is relevant to consumer outcomes. France Assureurs supports clear and transparent information on prices, applicable discounts and renewal premiums, so that consumers can understand what they are paying and make informed decisions. In this respect, the EU IDD and PRIIPs frameworks, as well as the upcoming RIS rules, already provide consumers with comprehensive information on insurance products' key features. In addition, at EU level, the existing framework already contains strong safeguards against unfair pricing practices. The UCPD prohibits unfair, misleading or opaque pricing practices, including where the presentation of the price or the way it is calculated is likely to distort consumers' economic behaviour. The IDD requires insurers and distributors to act in customers' best interests, assess demands and needs, and comply with product oversight and governance requirements. It also prohibits remuneration, sales targets or performance arrangements that incentivise recommending a product where another one would better meet the customer's needs. On this basis, EIOPA has clarified that differential pricing practices, including "price walking", must not result in the unfair treatment of consumers, while national authorities already have the necessary tools to intervene where specific concerns arise. However, it should be stressed that supervisors' interventions should be limited to	Comments noted. Examples are now expressly indicated as illustrative. See also IAIS response M. The AFM Netherlands responds with respect to its example: Under the Insurance Distribution Directive (IDD), insurers are required to act in the best interests of their customers. When insurers charge higher profit margins to loyal customers, they must be able to demonstrate how this practice serves those customers' best interests. No Dutch insurer was able to do so. As a result, premiums were adjusted, and insurers committed to monitoring premium equality across

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		outliers, where products or distribution strategies are unfair or unsuitable. Product and price regulation by supervisory authorities would not be beneficial for customers. Therefore, the examples from Ireland, the Netherlands and Australia should be presented as specific cases where supervisors identified concerns and acted under existing powers. They should not be used to suggest that pricing practices in insurance markets generally lead to poor value or to support broad restrictions on insurers' freedom to set prices and develop commercial strategies. Furthermore, it is important to underline that risk-based underwriting is at the heart of insurance which only works when customers are priced according to their risk profile, thus making insurance become available in general. Thus, when it is justified by actuarial/mathematical considerations, differential risk selection and pricing is feasible. Cost and value are not directly correlated: higher costs may reflect broader coverage, guarantees or services, while lower costs may correspond to more limited protection. Existing regulatory frameworks already include safeguards against unfair pricing practices.	customers with different lengths of tenure.
169	The Geneva Association	Risk-based and actuarially sound pricing is fundamental to insurance and should be recognised explicitly in this section. Supervisory concerns should focus on opaque pricing, misleading or fraudulent comparisons, broken pricing promises and non-risk-related practices that create unfair outcomes, rather than on legitimate differentiation grounded in risk or sound actuarial principles. It would also be helpful to acknowledge that in some lines, broader cost drivers, including medical inflation and other external system factors, materially influence affordability and perceived value.	Comment noted. See IAIS response F and edit in section 4.2 to recognise risk-based pricing.
170	Insurance Europe	Insurance Europe agrees that cost and value are not directly correlated. A lower-cost product is not necessarily better value and a higher-cost product is not necessarily lower value: higher costs may reflect broader coverage, guarantees or services, while lower costs may correspond to more limited protection. As EIOPA notes in its most recent Cost & Past Performance of retail financial products report "costs do not necessarily imply poor value for money … as value for money is a reflection of costs, benefits and returns". Customer value is a holistic concept and should take account of all relevant quantitative and qualitative features of insurance products, including coverage, guarantees, risk mitigation, services, advice, claims handling and the needs and objectives of the target market. At the same time, cost transparency is relevant to consumer outcomes. Insurance Europe supports clear and transparent information on prices, applicable discounts and renewal premiums, so that consumers can understand what they are paying and make informed decisions. In this respect, the EU IDD and PRIIPs frameworks, as well as the upcoming RIS rules, already provide consumers with	See response to comment #168.

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		comprehensive information on insurance products' key features. In addition, at EU level, the existing framework already contains strong safeguards against unfair pricing practices. The UCPD prohibits unfair, misleading or opaque pricing practices, including where the presentation of the price or the way it is calculated is likely to distort consumers' economic behaviour. The IDD requires insurers and distributors to act in customers' best interests, assess demands and needs, and comply with product oversight and governance requirements. It also prohibits remuneration, sales targets or performance arrangements that incentivise recommending a product where another one would better meet the customer's needs. On this basis, EIOPA has clarified that differential pricing practices, including "price walking", must not result in the unfair treatment of consumers, while national authorities already have the necessary tools to intervene where specific concerns arise. However, it should be stressed that supervisors' interventions should be limited to outliers, where products or distribution strategies are unfair or unsuitable. Product and price regulation by supervisory authorities would not be beneficial for customers. Therefore, the examples from Ireland, the Netherlands and Australia should be presented as specific cases where supervisors identified concerns and acted under existing powers. They should not be used to suggest that pricing practices in insurance markets generally lead to poor value or to support broad restrictions on insurers' freedom to set prices and develop commercial strategies. Furthermore, it is important to underline that risk-based underwriting is at the heart of insurance which only works when customers are priced according to their risk profile, thus making insurance become available in general. Thus, when it is justified by actuarial/mathematical considerations, differential risk selection and pricing is feasible.	
171	Global Federation of Insurance Associations (GFIA)	Risk-based pricing is a foundational element of insurance, supporting fairness among policyholders as well as solvency and competitiveness of the market. We continue to believe that competitive markets remain one of the most effective mechanisms for promoting customer value through product innovation, service quality, and efficient pricing. Cost and value are not directly correlated: higher costs may reflect broader coverage, guarantees or services, while lower costs may correspond to more limited protection. Existing in this context, regulatory frameworks already include safeguards against unfair approaches should seek to reinforce these dynamics while addressing clearly identified risks related to pricing practices, transparency, and consumer understanding.	Comment noted. See IAIS response F.

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172	International Actuarial Association (IAA)	While the topic of “margin personalisation” (called price optimization in the U.S.) deserves mention in such a paper, the reference to the experience in Netherlands can lead to the wrong interpretation in some situations. For many property/casualty products, the least is known about a customer when they are first insured. As time goes on, via subsequent renewals, an insurer can price and underwrite a given insured more accurately as they learn more about the insured. Ideally this will lead to lower prices for the better risks, rather than higher prices based on the likelihood of the insured shopping their policy. But this doesn’t impact the problem of obtaining new insureds for which less information is known. Some insurers have called this phenomenon the “new business penalty”, as the insurer may have to offer a rate lower than the lack of information can justify. So having a higher profit on renewal policies is sometimes just the consequence of this “new business penalty” for obtaining new accounts. We recommend that a comparison of profit on new versus renewal policies needs to be researched further where it exists, rather than presuming without research that it is a sign of “margin personalization”. The paper should also make more mention of a pricing issue particularly relevant to home property insurance. That issue is the selling of a proper amount of insured value. Some insurers can quote a lower price by selling less coverage via a lower amount of insured value, for example by selling a policy with $300,000 in the event of a total loss when the cost to rebuild may be $400,000 or more. The insured may end up looking only at the price when compared to competing offers, but if a total loss occurs, they may end up with not enough funds to rebuild.	The AFM Netherland responds: It is true that the technical premium is more difficult to estimate for newer customers. However, our research focused on the ratio between the technical premium and the premium paid. Suppose insurers apply a higher technical premium to newer customers to account for greater uncertainty, and these customers also pay a higher premium. In subsequent years, both the technical premium and the premium paid may decrease. In that case, however, the profit margin could remain unchanged. Our findings suggest one of two possibilities: either the technical premium remains stable while the premium paid increases, or the technical premium decreases while the premium paid remains unchanged (or decreases at a slower rate). In both scenarios, the profit margin increases with customer tenure.

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			If insurers initially apply a higher technical premium but do not fully reflect this in the premium paid (i.e., resulting in a lower profit margin), this could indeed provide an explanation for the observed margin personalization. However, this is precisely one of the reasons why we compared customers with a tenure of 1-2 years to those with a tenure of more than 9 years, rather than comparing customers with a tenure of 0-1 years to those with more than 9 years. Finally, no insurer in the Netherlands cited this as an explanation for the observed margin personalization. Also, all examples in the paper are now expressly indicated as illustrative.
173	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. CNP Assurances further notes that insurance value derives not only from costs and expected returns, but also from risk pooling, guarantees and the long-term protection provided to policyholders.	See response to comment #168

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Comments on section 4.3 Bundled or tied sales			
174	National Insurance Commission, Abuja Nigeria	I personally found this section useful and insightful. It highlighted some important areas to consider in products review process.	Noted. No revision required.
175	Allianz SE	Allianz agrees that bundled products require particular scrutiny and emphasizes the importance that each component of a bundle, as well as the bundle as a whole, provides fair value and does not disadvantage customers.	Noted. No revision required.
176	APCIA	Paragraph 50 importantly provides some balance to the discussion of bundled products in its recognition that there may be consumer savings that accrue as a result of buying multiple products from the same insurer. Bundled or cross-sold products can provide benefits such as convenience, affordability and improved access to insurance.	Noted. No revision required.
177	General Insurance Association of Japan	Paragraph 46: It should be explicitly stated in the body that the example is from EIOPA. Paragraph 48: Regarding the statement "…the prices of bundled insurance policies may lead consumers to make purchasing decisions based merely on price rather than on the coverage of their respective policies.", it appears more accurate to say the following: "…the prices of bundled insurance policies may lead consumers to make purchasing decisions based merely on price without understanding the coverage of their respective policies."	Footnote 41 addresses the comment on paragraph 46. Change adopted to paragraph 48 as suggested (now para 60).
178	Conference of European Bancassurers (CEB)	The CEB considers that the current drafting of this section would benefit from a substantial revision in order to provide a more balanced, evidence-based and proportionate assessment of bundled and tied sales practices. As currently presented, the section adopts a predominantly negative framing that emphasises potential risks, while not adequately recognising the significant and demonstrable benefits that these practices deliver in terms of value creation, market efficiency and financial inclusion. This imbalance risks leading to conclusions that do not fully reflect market realities and may inadvertently constrain practices that are essential for the effective functioning of insurance distribution. Bundled and tied sales, particularly in the context of bancassurance, represent a fundamental mechanism through which insurance products are brought closer to consumers at the moment when protection needs arise. In contrast to many other financial products, demand for insurance is often not	See IAIS response I and the edits made in section 4.3. The section was revised to provide a more balanced discussion of bundled, tied and cross-selling practices. The revised text now recognises that these

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		spontaneous, but requires prior risk awareness and, in many cases, appropriate advice. This structural feature must be explicitly recognised. Indeed, the fact that in many jurisdictions certain types of insurance are made mandatory by law clearly demonstrates that even in situations of obvious individual and societal need, insurance demand does not naturally emerge without intervention or contextualisation. Against this background, bundled and tied sales should be understood as mechanisms that facilitate the emergence of demand, by linking insurance coverage to concrete economic decisions, such as taking out a loan, acquiring a mortgage or purchasing a durable good. From this perspective, these practices play a critical role in ensuring that consumers are adequately protected in situations where exposure to risk is highest, and where the consequences of not having coverage could be significant. By embedding insurance within broader financial solutions, bundled and tied sales contribute to closing protection gaps, enhancing financial resilience and supporting economic activity. They enable consumers to make better-informed decisions in context and ensure that insurance is not treated as an abstract or optional consideration, but as an integral component of responsible financial planning. Moreover, bundled and tied sales generate efficiency gains and cost advantages that can be passed on to consumers. By leveraging existing distribution infrastructures and established customer relationships, particularly within banking channels, these practices reduce transaction costs, simplify decision-making processes and allow for more affordable and accessible insurance offerings. This is especially relevant for customers who may lack the time, knowledge or incentives to actively search for standalone insurance products. In this sense, these models are a key driver of financial inclusion, enabling broader segments of the population to access protection that they would otherwise not obtain. The CEB also emphasises that bundled and tied sales contribute positively to the overall value proposition of insurance products, as they allow for a more precise alignment between coverage and the underlying risk associated with the primary product. When appropriately designed, these arrangements enhance the relevance and effectiveness of coverage, ensuring that consumers are protected against risks that are directly linked to their financial commitments. This tailored approach is, in itself, a value-enhancing feature, rather than a source of detriment. The potential risks associated with these practices—such as limitations in consumer awareness or perceived constraints on choice—should not be disregarded. However, the CEB considers that such risks are best addressed through targeted, proportionate and well-calibrated safeguards, rather than through restrictive or prohibitive approaches. In particular, transparency, clear disclosure, and the	arrangements may offer benefits to consumers, including convenience, improved access to insurance and the ability to reach consumers at points where insurance needs are most relevant. Additional text was included to acknowledge that bundled or tied arrangements do not, in themselves, indicate poor value. The discussion continues to highlight potential risks where consumers are unable to effectively assess value, compare alternatives, understand the optional nature of the insurance product, exercise meaningful choice, or are exposed to pressure-selling practices.

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		effective preservation of consumer choice, including the possibility to opt out or substitute products where appropriate, constitute effective tools to ensure fair outcomes. In this regard, the current regulatory framework in the European Union provides a balanced and well-established approach, combining the possibility of offering bundled or tied products with robust rules on transparency, customer information and freedom of choice. Importantly, the CEB notes that technological developments are significantly reinforcing these safeguards, enabling clearer communication, improved comparability and enhanced customer understanding through digital channels. As a result, many of the concerns traditionally associated with bundled or tied sales are being progressively mitigated through better disclosure, improved user experience and more informed consumer decision-making. The CEB also reiterates that any supervisory assessment of these practices should be grounded in a sound understanding of consumer behaviour, which is inherently influenced by factors such as trust, convenience, proximity and contextual decision-making. Consumers do not typically engage in exhaustive comparisons of standalone products, and in many cases rely on integrated solutions offered through trusted distribution channels. Ignoring this reality risks promoting theoretical models of behaviour that are not aligned with actual market dynamics. Finally, the CEB stresses that supervisory approaches in this area must respect the fundamental principles of market economies, in particular the importance of free competition and consumer choice. Interventions that restrict or discourage bundled and tied sales should be undertaken only where there is clear and robust evidence of systemic consumer detriment, demonstrating that the potential harms outweigh the benefits delivered by these practices. Absent such evidence, overly restrictive measures risk reducing access to insurance, limiting product availability, increasing costs for consumers and, ultimately, weakening financial inclusion and societal resilience. In light of the above, the CEB recommends that this section be revised to provide a more balanced and comprehensive assessment of bundled and tied sales, explicitly recognising their positive contribution to value creation, risk protection and market development, while ensuring that any identified risks are addressed through proportionate, evidence-based and transparency-driven measures.	
179	France Assureurs	France Assureurs recommends a more balanced approach and to better highlight the benefits that bundled or tied sales can bring. Bundled or cross-sold products can provide benefits such as convenience, affordability and improved access to insurance. For example, the Swiss Re study “Accelerating insurance transformation through behavioural economics | Swiss Re” reveals a clear	See IAIS response I and the edits made in section 4.3.

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		consumers' preference for bundled products, as it allows the policy to cover several needs at once, "like a half and half pizza topping or a bento box". It is therefore important to consider that bundled or tied sales can help overcome consumers' inertia and make the purchase process easier. For example, it is important to stress the significant benefits that Credit Protection Insurance (CPI) can bring. CPI is known and used by customers, who consider it essential and helpful. A 2021 study by global market research company Ipsos in nine European countries (Belgium, Czech Republic, France, Germany, Italy, Poland, Spain, Sweden, United Kingdom) showed a high level of awareness of CPI in Europe (69% of interviewees know about it) and the majority of consumers recognise its role in protecting their loved ones (76%), their properties (75%) and its ability to maintain their standard of living (75%) and provide peace of mind (73%). The many other benefits that CPI can offer include the possibility of tailored products and the one-stop shop mechanism: the bank can provide consumers with a single point of contact to request a loan and a policy, facilitating communication, allowing simpler processes and saving time. A single point of sale lowers costs for producers, distributors and consumers. In the EU market, the IDD already provides a strong framework for preventing bad practices in the sale of bundled or tied products, and supervisors are well-equipped to monitor the market and intervene where necessary.	
180	Insurance Europe	Insurance Europe recommends a more balanced approach and to better highlight the benefits that bundled or tied sales can bring. Bundled or cross-sold products can provide benefits such as convenience, affordability and improved access to insurance. For example, the Swiss Re study "Accelerating insurance transformation through behavioural economics | Swiss Re" reveals a clear consumers' preference for bundled products, as it allows the policy to cover several needs at once, "like a half and half pizza topping or a bento box". It is therefore important to consider that bundled or tied sales can help overcome consumers' inertia and make the purchase process easier. For example, it is important to stress the significant benefits that Credit Protection Insurance (CPI) can bring. CPI is known and used by customers, who consider it essential and helpful. A 2021 study by global market research company Ipsos in nine European countries (Belgium, Czech Republic, France, Germany, Italy, Poland, Spain, Sweden, United Kingdom) showed a high level of awareness of CPI in Europe (69% of interviewees know about it) and the majority of consumers recognise its role in protecting their loved ones (76%), their properties (75%) and its ability to maintain their standard of living (75%) and provide peace of mind (73%).	See response to comment #179.

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		The many other benefits that CPI can offer include the possibility of tailored products and the one-stop shop mechanism: the bank can provide consumers with a single point of contact to request a loan and a policy, facilitating communication, allowing simpler processes and saving time. A single point of sale lowers costs for producers, distributors and consumers. In the EU market, the IDD already provides a strong framework for preventing bad practices in the sale of bundled or tied products, and supervisors are well-equipped to monitor the market and intervene where necessary.	
181	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. Comment #179 repeated.	See response to comment #179.
182	The Geneva Association	We suggest a clearer distinction between coercive tying, which can be harmful, and optional bundling or embedded solutions, which can improve convenience, broaden access and sometimes reduce administrative costs. Bundling is not inherently inconsistent with good customer outcomes. The supervisory focus should remain on transparency, free choice, duplication risk, suitable design and the absence of pressure-selling practices.	**Accepted.** The revised section 4.3 clarifies that bundled or tied arrangements are not inherently indicative of poor value and explains where concerns can arise.
183	Global Federation of Insurance Associations (GFIA)	Paragraph 50 importantly provides some balance to the discussion of bundled products in its recognition that there may be consumer savings that accrue as a result of buying multiple products from the same insurer. Bundled or cross-sold products can provide benefits such as convenience, affordability and improved access to insurance.	Comments noted. See edits in section 4.3.
Comments on section 4.4 Commissions and other distribution conflicts of interest			
184	National Insurance Commission, Abuja Nigeria	This is not a regulatory concern in some jurisdictions, including Nigeria. And it might be difficult to change current practices despite that some commissions received by intermediaries cannot be justified by actual services delivered. I would like to see this issue brought up for public discourse.	Comment noted.
185	Brenda Cude University of Georgia,	The last sentence of the first paragraph in the Singapore section refers to "Their variable incomes." Whose variable incomes? I think this could be clearer.	Changes made.

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	USA	The first sentence in the Hong Kong section indicates something will be introduced that was introduced in January 2026. I suggest changing the verb.	
186	World Federation of Insurance Intermediaries WFII	In the Netherlands the full commission transparency is only applicable to private insurance consumer insurances, not to business insurances. The disclosure does not allow for comparison as "comparable" costs of direct writers are not transparent.	Comment noted. Edits have been made to the presentation of the Netherlands examples in this blue box.
187	Allianz SE	Allianz strongly supports addressing conflicts of interest and emphasizes the importance of detailed requirements on incentive design, conflict identification, mitigation and disclosure, including clawback mechanisms. However, we also emphasize that the payment of commissions does not inherently come with a conflict of interest and that a complete ban on commissions can work to the detriment of customers as they would have to pay a fee for advice independently of whether an insurance contract is concluded. Potential conflicts of interest related to commission payments can be effectively prevented through regulatory requirements and effective internal governance. Furthermore, it can be demonstrated that commission-based advice models are not necessarily more expensive than fee-based models. Both compensation models have advantages and disadvantages and are more or less suitable for different consumer groups depending on the situation. The commission-based model is often more cost-effective, particularly for small retail investors who regularly save smaller amounts. The prevalence of solely fee-based advice resulting from inducements ban has been linked to so called "advice gap". For example, in the United Kingdom – much like in the Netherlands – where commission-based advice on financial products was abolished, it became apparent that fee-based advice poses a barrier, particularly for financially vulnerable or low-income customers, leading them to make fewer provisions for retirement. This means that a significant group of people who cannot afford or shy away from fee-based or independent advice no longer receive professional help and thus potentially make poorer financial decisions.	Comment noted. See revisions in section 4.4. Examples are now expressly indicated as illustrative. Edits have been made to reflect that a commission-based remuneration model does not conclusively imply a case of conflict of interest.

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		As such, different forms of advice offer different value to the customers and serve different parts of the market and customer needs. Regulators should not therefore unnecessarily intervene in the decisions of insurers on what type of advice they want to use.	
188	The Life Insurance Association of Japan	While it is important to properly manage the related conflicts of interest, it would not be appropriate to assess customer value solely based on the level or amount of commissions and remuneration. Life insurers in Japan provide customer-oriented services in the long term, including face-to-face explanations at the point of sale, post-sales follow up including coverage confirmation and reviews, and support when making claims. These services form part of customer value. Therefore, it is important to ensure that the commissions and remuneration are proportional to the services provided. Accordingly, the LIAJ would like to suggest adding the following sentence at the beginning of the section: “In principle, the level of commissions and remuneration should be proportionate to the services provided”.	Comment noted. See revisions in section 4.4. Edits have been made to reflect that if the payment of commission is commensurate to the services provided, it does not represent an inherent problem.
189	APCIA	Commissions remain the main remuneration model for insurance distributors in many markets. By effectively mutualising costs, they help ensure affordable access to pre-contractual advice, particularly where financial literacy is low. Therefore, commissions are actually a key element of providing value for consumers.	Comment noted. See IAIS response to comment #188 above.
190	Conference of European Bancassurers (CEB)	It is suggested that the headline of this section and the wording of sections 51, 52, and 53 be modified. Conceiving of commissions as a “conflict of interest” leads to the conclusion that, by the same logic, insurance per se, and any good or service, constitutes an unsolvable conflict of interest. The statements contained in these sections are applicable to any product, good, or service. This approach is incorrect because it overlooks the fact that the sustainability of any business is based on its value proposition and customer satisfaction. It is very concerning that supervisors hold this view of commissions in insurance sales due to the serious misunderstanding and the potential implications. Commissions pay for distribution but also for customer service during the policy's term. In some jurisdictions, empirical evidence conducted by supervisors demonstrates that "commissions did not emerge as the overarching driver behind unsuitable recommendations", suggesting that poor sales practices cannot be attributed solely to remuneration structures. Section 4.3 refers to insurance comparison websites “done appropriately,” which are theoretical, because in practice they would only be possible if their operating costs were covered by potential	Comments noted. See revisions in section 4.4.

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		customers. However, practice shows that customers are not actually willing to pay for this type of service - which is what insurance brokers do, independent advice.	
191	France Assureurs	In the EU, the IDD sets out rules on conflicts of interest that prevent, manage and, when appropriate, inform clients should a situation arise, that could be detrimental to their interests. The IDD also foresees the possibility for member states to introduce further restrictions where appropriate for their market, for example in the form of further information requirements, mandatory advice or a full ban on payment of commission depending on each market's specific features and needs. This allows the necessary flexibility to consider local market structures and consumer behaviour. Commission is not an unnecessary expense and reflects the price of the advice and other distribution services provided to the client, particularly for consumers with lower financial literacy, by mutualising distribution costs. This can include any assistance provided by the intermediary to the policyholder in the administration and performance of the insurance contracts, in particular in the event of a claim, as set out by the IDD. The commission-based system is one way of funding the costs of providing the advice to the customer. Where advice is provided but commission is banned, the customer must pay for the advice in a different manner (usually a specific fee, or subscription model, or in instalments over a certain period). The prevalence of solely fee-based advice resulting from inducements ban has been linked to so called "advice gap". For example, in the United Kingdom – much like in the Netherlands – where commission-based advice on financial products was abolished, it became apparent that fee-based advice poses a barrier, particularly for financially vulnerable or low-income customers, leading them to make fewer provisions for retirement. This means that a significant group of people who cannot afford or shy away from fee-based advice no longer receive professional help and thus potentially make poorer financial decisions. The commission system remains the most prevalent way of remunerating distributors across the EU and is the dominant system in most markets. This allows customers to access as much pre-contractual advice as they need free of charge, as this is effectively pre-financed by existing insured customers. This increases the affordability and access to advice, which is particularly important in markets with low levels of financial literacy. Potential conflicts of interest related to commission payments can be effectively prevented through existing regulatory requirements and effective internal governance. In many markets, the insurance distribution system still relies to a large part on face-to-face advised sales. Thus, different forms of remuneration come with different values to the customers and serve different parts of the market and customer needs and regulators should not unnecessarily intervene in the decisions of insurers what type of advice they want	Comment noted. See IAIS response to comment #190 above.

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		to offer or use. As regards comparison websites, these should not be seen as a silver bullet. In practice, it is difficult for online comparison tools to capture and present the full range of features of insurance products, such as guarantees, scope of cover and related services. There is therefore a risk that comparisons focus primarily on price and performance, which may steer consumers towards products that are not suited to their needs, for example because they involve inappropriate levels of risk or lower-quality cover. This is compounded by well-known behavioural biases: consumers often focus only on the first results displayed, remain with default options and may underestimate conflicts of interest that can still exist between the platform and the products being promoted. In the EU, the IDD sets out rules on conflicts of interest that require prevent, manage and, when appropriate, inform clients should a situation arise, that could be detrimental to their interests. The IDD also foresees the possibility for member states to introduce further restrictions where appropriate for their market, for example in the form of further information requirements, mandatory advice or a full ban on payment of commission depending on each market's specific features and needs. This allows the necessary flexibility to consider local market structures and consumer behaviour. Commissions remain the main remuneration model for insurance distributors across the EU and in most markets. By effectively mutualising costs, they help ensure affordable access to pre-contractual advice, particularly where financial literacy is low.	
192	The Geneva Association	We support careful supervisory scrutiny of conflicts of interest, but the final paper should avoid implying that commissions are inherently inconsistent with value or that commission bans are a generally preferable solution. In many markets, intermediated advice remains important for customer understanding and product matching, and an overly restrictive stance on remuneration can create or widen advice gaps. We suggest framing commissions as an issue of governance, disclosure, suitability and oversight rather than as a structural problem in themselves.	Comment noted. See IAIS response to comment #190 above.
193	Insurance Europe	In the EU, the IDD sets out rules on conflicts of interest that prevent, manage and, when appropriate, inform clients should a situation arise that could be detrimental to their interests. The IDD also foresees the possibility for member states to introduce further restrictions where appropriate for their market, for example in the form of further information requirements, mandatory advice or a full ban on payment of commission depending on each market's specific features and needs. This allows the necessary	Comment noted. See IAIS response to comment #190 above.

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		flexibility to consider local market structures and consumer behaviour. Commission is not an unnecessary expense and reflects the price of the advice and other distribution services provided to the client. This can include any assistance provided by the intermediary to the policyholder in the administration and performance of the insurance contracts, in particular in the event of a claim, as set out by the IDD. The commission-based system is one way of funding the costs of providing the advice to the customer. Where advice is provided but commission is banned, the customer must pay for the advice in a different manner (usually a specific fee, or subscription model, or in instalments over a certain period). The commission system remains the most prevalent way of remunerating distributors across the EU and is the dominant system in the majority of markets. This allows customers to access as much pre-contractual advice as they need free of charge, as this is effectively pre-financed by existing insured customers. This increases the affordability and access to advice, which is particularly important in markets with low levels of financial literacy. Potential conflicts of interest related to commission payments can be effectively prevented through existing regulatory requirements and effective internal governance. In many markets, the insurance distribution system still relies to a large part on face-to-face advised sales. As regards comparison websites, these should not be seen as a silver bullet. In practice, it is difficult for online comparison tools to capture and present the full range of features of insurance products, such as guarantees, scope of cover and related services. There is therefore a risk that comparisons focus primarily on price and performance, which may steer consumers towards products that are not suited to their needs, for example because they involve inappropriate levels of risk or lower-quality cover. This is compounded by well-known behavioural biases: consumers often focus only on the first results displayed, remain with default options and may underestimate conflicts of interest that can still exist between the platform and the products being promoted.	
194	Global Federation of Insurance Associations (GFIA)	In the EU, the Insurance Distribution Directive (IDD) sets out rules on conflicts of interest that require, prevent, manage and, when appropriate, inform clients should a situation arise that could be detrimental to their interests. The IDD also foresees the possibility for member states to introduce further restrictions where appropriate for their market, for example in the form of further information requirements, mandatory advice or a full ban on payment of commission depending on each market's specific features and needs. This allows the necessary flexibility to consider local market structures and	Comment noted. See IAIS response to comment #190 above.

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		consumer behaviour. Commissions remain the main remuneration model for insurance distributors across the EU and in most markets. By effectively mutualising costs, they help ensure affordable access to pre-contractual advice, particularly where financial literacy is low. Therefore, Commissions reflect the positive aspects of advice and related services provided to consumers. They support access to advice, particularly for consumers with lower financial literacy, by mutualising costs.	
195	International Actuarial Association (IAA)	The aim of the Section is to describe conflicts of interest, and it focuses mainly on product distribution. However, it does not address the management of the policies. The Section also does not address conflicts of interest in financial conglomerates. This is particularly relevant for IBIP (Investment Based Insurance Products) products, where policyholders bear the investment risks, as such conflicts may affect the value of the policies, for example: · the use of funds with high commissions · the termination of low commission funds and their replacement with higher-commission funds · the transfer of low value or risky investments from other entities within the group · undue portfolio turnover that increases the expenses of the funds and increases the profits of other entities. Conflicts of interest may also arise in funds managed by the insurance company. For example, the company may transfer low value investments to the funds in order to improve its own financial position.	Comment noted and relevant elements have been added.
196	CNP Assurances	CNP Assurances fully supports the response submitted by France Assureurs on this section and refers to the comments set out therein. Comment #191 repeated.	Comments noted. See IAIS response to comment #190 above.
197	American Council of Life Insurers (ACLI)	ACLI agrees that insurance products should be distributed in a manner that supports consumers' interests and needs. In the United States, this objective is reflected in the National Association of Insurance Commissioners' (NAIC) Suitability in Annuity Transactions Model Regulation (#275), which has been adopted in 49 states and incorporates a best interest standard for annuity recommendations. The framework is designed to help ensure that recommendations are based on consumers' financial objectives, needs, and circumstances while preserving access to financial guidance and retirement income solutions.	Comment noted.

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Comments on section 4.5 Complex decisions expected of the customer			
198	National Insurance Commission, Abuja Nigeria	This borders, partly, on utmost good faith. And the level of insurance information and education of the insurance public should be promoted at all levels to create awareness about insurance operations, benefits and claims settlements. Ordinarily, professional intermediaries should offer this service without additional cost to the customer. The supervisor could be instrumental in addressing information gap in the process of selling and claims settlement.	Noted. No revision required.
199	Aurevo Lab	Section 4.5 is, in my view, one of the strongest sections of the paper, and its residential examples — the cash settlement decision (paragraph 55) and the sum-insured determination (paragraph 56) — deserve to be pushed one step further, because they share a single underlying cause that the section treats as separate difficulties. In both cases, the customer is being asked to make a decision whose correctness depends on knowing the effective condition and replacement trajectory of a specific dwelling over time — and neither the customer nor the standard workflow has a structured method for knowing it. When a customer is asked to nominate a sum insured, they are being asked to price a rebuild that depends on the current condition of the fabric, the era it was built in, accumulated latent degradation, and how all of this will move with inflation and wear. When a customer is offered a cash settlement, they are being asked to judge whether the offered amount covers an eventual cost that depends on the same unknowns. The paper correctly observes (paragraph 56) that the customer must review it regularly — but it does not note that there is no standardised, non-invasive instrument by which either the customer or the insurer can actually perform that review at the level of the individual asset. This reframes the difficulty. The section currently presents these as decisions that are complex for the consumer and that better information or assistance could ease. That is true as far as it goes. But the deeper problem is that the information required does not exist in a structured form for anyone in the transaction — not the customer, not the broker, not the insurer's valuation-driven appraisal. The complexity is not only cognitive; it is informational, and the missing information is a structured, traceable read of the dwelling's effective condition. Adding disclosure or advice on top of an absent underlying assessment improves the customer's experience of the decision without improving the decision's accuracy.	Noted. The comment highlights the possibility that product value may evolve over time as circumstances change. While no revisions were made regarding dwelling condition assessments specifically, other amendments recognise that value should continue to be assessed throughout the product lifecycle to help ensure ongoing alignment with customer needs and characteristics.

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		The implication for value is direct. Where the customer is required to make a consequential election against an asset whose true condition is unknown to all parties, the expected value of the coverage is systematically biased downward for exactly the segment of the housing stock where effective condition has drifted furthest from nominal condition — the older segment, which in many markets is the majority of insured dwellings. Any supervisory expectation that customers be suitably informed and assisted (paragraph 54) in these decisions will be limited by the fact that the substrate being assessed is itself not yet assessable in a standardised way at the point of decision.	
200	Brenda Cude University of Georgia, USA	#54. Perhaps the sentence would be clearer if it began, "There is a potential that customers will receive diminished value from their insurance coverage..." Also, there are two periods at the end of this sentence. #56. Perhaps clarify to what "it" refers in "Further, the customer must review it regularly" #57: Perhaps "diminished" instead of "low" at the end of the last sentence.	**Comment on #54** The introductory paragraph was revised to improve readability and better explain the circumstances in which complexity may diminish customer value**.** **Comment on #56 – Accepted.** Amended. **Comment on #57 –** Noted. No revision required. The existing terminology was retained as it remains consistent with the drafting approach used throughout the paper.
201	Allianz SE	Allianz agrees that excessive complexity can undermine value and requires proportionate product design, target market identification, clear information and restrictions on execution-only distribution for complex products. In order to facilitate customer decision making, we underline the value of clear principles governing the information to customer, rules regarding minimum disclosure, proper advice and suitability assessment requirements proportionate to the complexity of the insurance product.	Noted. No revision required.
202	The Life Insurance	To cite a case in Japan, the Insurance Business Act requires insurers to, in offering an insurance product, inform customers about the policyholder protection scheme in case of an insurer's failure, as well as to describe their financial soundness in the Explanatory Documents on Business and Property	**See IAIS response J.** The discussion of switching was revised to provide a more

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	Association of Japan	Status, which must be made available for public inspection. The LIAJ would like to suggest introducing this as an example of information necessary for policyholders to make appropriate decisions. Also, the description in paragraphs 58 and 59 could be interpreted as essentially recommending switching, while recognising that switching may involve a number of complex considerations. Since switching has considerable disadvantages (e.g., adverse selection occurs as a customer with a relatively poor health condition prefers to buy a new policy, which increases the burden on the existing policyholder pool as a whole), the description should be more neutral. The LIAJ suggests, for example, clarifying that insufficient provision of information to customers could lead to disadvantages for them, whether or not they switch products. Additionally, the LIAJ suggests identifying the economic value of existing policies as an important element among the complex considerations involved in switching. This value should reflect the reduction of the coverage amount of the existing policy, surrender values and the value of maintaining existing coverage. Incidentally, aside from switching contracts, a “conversion system” is also available to policyholders in Japan. Under this system, a policyholder who wishes to renew their policy can switch the product while maintaining the same level of coverage as before, provided certain conditions are met. Whether portability similar to that of general insurance should be introduced for life and medical insurance is itself a matter that needs to be discussed carefully, given that these businesses handle sensitive information. As such, the LIAJ believes that the following sentence in the current draft should be removed: “The absence of similar portability in medical and life insurance may have material implications for consumer outcomes”.	balanced assessment of both the benefits and risks associated with switching insurance products. Revisions also recognise that portability arrangements differ significantly across insurance product types and jurisdictions and that identifying the economic value of existing policies is an important consideration in switching decisions.
203	APCIA	Insurance purchasing decisions can be complex, but this is not unique and is comparable to that of many other consumer and financial products. In this regard, consumers have access to significant information about insurance from both companies and supervisors before, during and after the sale. We note that the issue of portability differs significantly across types of insurance. Treating all insurance products as a single category may not be appropriate, for example in property and casualty insurance, differences in underwriting and pricing approaches reflect competitive dynamics and	Comments noted. The section was revised to clarify that complexity does not necessarily imply diminished value and may be necessary to provide appropriate

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		solvency considerations. Insurance purchases are subject to extensive disclosure requirements with differences from jurisdiction to jurisdiction. The insurance industry also works diligently in promoting financial literacy, consumer friendly-language, and reducing unnecessary complexity and volume of required documents and disclosures. We share the goal of improving consumers' understanding of their risk profiles and ensuring that products are well understood and meet supervisory standards. But there is an inherent trade-off between simplicity and completeness of information, which requires balanced approaches.	coverage and consumer benefits. See also IAIS response J.
204	General Insurance Association of Japan	Paragraph 55: It is unclear why insurance companies may offer a lump sum cash settlement instead of arranging repairs or replacements. In some jurisdictions, it is common practice for insurance companies not to arrange repairs or replacements, but rather to set the insurance amount within the limits of the insured value at the time of contract, assess the amount of damage in the event of an accident, and pay the insurance proceeds within the limits of both the insured value and the insurance amount. It would be preferable to clarify these differences in products (e.g., "In the case of products which are usually offered with lump sum cash settlements") and explain the complex decisions customers are required to make. Paragraph 61: Regarding the impact of introducing portability on both insurance companies and consumers, the Issues paper does not provide sufficient analysis to definitively state that it 'could have material implications'. Therefore, we propose deleting the last sentence. Alternatively, if the statement is to be retained, we request adding specific evidence and analysis to support its validity.	**Comment on paragraph 55 -** The discussion of cash settlements was revised to recognise that insurer-arranged repairs and cash settlements may differ across jurisdictions and product designs. The revised text focuses on the complexity of consumer decision-making and the importance of understanding the implications of available options. **Comment on paragraph 61- Partially accepted.** Additional text was included recognising that portability arrangements differ significantly across insurance product types and jurisdictions and that the implications of portability require careful consideration. See also IAIS response J.

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205	Conference of European Bancassurers (CEB)	The CEB considers that the current drafting of this section would benefit from a more balanced and context-sensitive presentation, as the analysis appears to adopt a predominantly negative perspective on the functioning of insurance markets, without sufficiently reflecting the reality of how insurance is designed, distributed and experienced by consumers. While it is appropriate to acknowledge that insurance decisions may involve a certain degree of complexity, this characteristic should be framed as an intrinsic and unavoidable feature of products that are designed to cover uncertain and diverse risks, rather than as an inherent limitation of the sector. In particular, the CEB wishes to emphasise that the ultimate objective of insurers—and especially of bancassurance models—is to ensure customer satisfaction, foster long-term relationships and promote contract renewal. Insurance is not a one-off transactional product, but a service built on continuity, trust and customer experience over time, where the quality of interaction—particularly in moments such as claims—plays a decisive role. As such, insurers have a strong and direct incentive to simplify processes, support customers in decision-making and ensure a positive experience throughout the lifecycle of the product. While insurance products may indeed involve complexity due to their technical nature, this is primarily the result of the need to accurately reflect risk, ensure financial sustainability and provide appropriate levels of coverage. The relevant response to this complexity is not to characterise it as a systemic deficiency, but rather to ensure that customers are appropriately supported in understanding and managing their choices. In this regard, the role of insurance distributors is essential and should be more explicitly recognised in the section. Throughout the document, distributors are frequently presented primarily as potential sources of risk, whereas their fundamental role as facilitators of consumer understanding and decision-making is not sufficiently acknowledged. In practice, distributors—particularly in bancassurance—act as intermediaries who provide explanations, contextualise risks, guide customers in selecting appropriate products and assist them throughout the contractual relationship, including at the claims stage. This role is especially important given the behavioural realities of consumer decision-making, where factors such as trust, proximity and ease of interaction are central. Ignoring this contribution risks presenting an incomplete and unbalanced view of the distribution ecosystem. Moreover, the CEB considers that the section would benefit from a clearer alignment with a behaviourally informed perspective on consumer decision-making, recognising that consumers do not typically undertake complex analytical comparisons of product features, but instead rely on trusted	**Partially accepted.** The section was revised to clarify that complexity does not necessarily imply poor value and may be necessary to provide appropriate coverage and consumer benefits. Additional text recognises differences in consumer decisions across product types, the impact of post-sale decisions on realised value, and the role of distributors and advisers in supporting consumers. See also IAIS response E. The discussion continues to identify circumstances where complexity may diminish value if consumers lack adequate understanding or support

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		relationships, contextual triggers and simplified decision frameworks. In this context, the presence of intermediaries and integrated distribution models is not a source of additional complexity, but rather a mechanism for reducing cognitive burden and facilitating access to insurance. The CEB also notes that the section appears to rely on a number of specific examples and situations that should not be generalised to the market as a whole. As highlighted in other parts of the consultation, many such examples may reflect isolated cases, particular market conditions or even instances of misconduct, rather than systemic characteristics of insurance products or distribution practices. Drawing broad conclusions from such examples risks misrepresenting the overall functioning of insurance markets and may lead to disproportionate policy responses. In addition, the CEB reiterates that complexity alone should not be equated with diminished value. Insurance products often involve multiple dimensions of value, including protection, service, assistance and long-term support, which cannot always be fully simplified without compromising either coverage or affordability. A more appropriate approach is therefore to ensure that complexity is appropriately managed through transparency, clear communication, and effective distribution channels, rather than assuming that it necessarily results in poor consumer outcomes. Finally, the CEB emphasises that supervisory approaches in this area should remain proportionate and respectful of both market dynamics and consumer choice. Efforts to excessively simplify products or decision processes through prescriptive measures risk reducing product diversity, limiting innovation and constraining the ability of insurers to meet heterogeneous consumer needs. Instead, the focus should be placed on strengthening trust, improving transparency and supporting consumers through education and effective intermediation, thereby enabling them to navigate complexity in a manner that reflects their preferences and circumstances. In light of the above, the CEB recommends that this section be revised to adopt a more balanced and realistic perspective, recognising that while insurance decisions may involve complexity, this complexity is both manageable and necessary, and that the combined role of insurers, distributors and supervisory frameworks is to ensure that consumers are effectively supported in making informed and appropriate choices within a well-functioning market environment.	
206	France Assureurs	France Assureurs considers that the drafting of this section would benefit from a more balanced and context-sensitive presentation. There is broad consensus that consumers' understanding of insurance products, including their scope and exclusions, is essential. Improving this understanding benefits all stakeholders: it enhances efficiency and outcomes for firms, while reducing frustration and supporting	Comments noted. The section was revised to clarify that complexity does not necessarily imply poor value

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		better financial decision-making for consumers. Current market experience shows that EU insurers already provide consumers with extensive information in line with EU and national disclosure requirements. At the same time, consumers increasingly expect a purchasing journey that is simple, comprehensible and efficient. Many consumers, for example, research products online and complete the purchase offline, while others are fully digital or digital-native and expect the same seamless experience they encounter on other sales platforms. However, a significant proportion of consumers still lack familiarity with basic financial and insurance concepts, which can hinder their ability to make informed choices. This highlights a genuine tension between simplicity and completeness in disclosure. There is no single solution to this challenge, and all stakeholders have a role to play in addressing it and informing consumers effectively. In this context, the EU IPID for non-life products has proven particularly useful, as it presents key information in a concise and consumer-friendly format. Its effectiveness stems from several factors. First, it is short and structured with clear headings, icons and colours. Second, in digital form, it allows for features such as layering and pop-ups, which can improve accessibility and user experience. Third, it focuses on the information that is most essential for consumers, including the type of insurance, the main cover provided, the principal insured risks, the insured sum, the geographical scope where relevant, the key exclusions, the payment of premiums, the duration of the contract, obligations at different stages of the contractual relationship, and the means of terminating the contract. Importantly, the IPID includes a summary of the main exclusions, while the full details remain available in the contractual documentation. In addition, intermediaries can provide more personalised explanations, advice and answers where needed. More broadly, it is important to recognise that the IPID is only one element of a wider and robust consumer protection framework established under the IDD. Beyond the IPID itself, the IDD requires firms and distributors to act honestly, fairly and professionally in accordance with the best interests of customers; to provide information that is fair, clear and not misleading; and to inform consumers in good time before the conclusion of the contract. It also requires proper product design and review through the POG framework, the assessment of consumers' demands and needs, and continuous professional training of at least 15 hours per year for distributors to maintain and update their skills. In addition, supervisory authorities have a wide range of powers and tools to monitor the market and intervene where consumer harm or misconduct is identified, including administrative and pecuniary	and may be necessary to provide appropriate coverage, flexibility, guarantees or other consumer benefits. Additional text recognises the diversity of consumer decisions across different types of insurance products and acknowledges the role that distributors and advisers can play in helping consumers understand product features, risks and available options. The paper continues to recognise the importance of clear, accessible information and effective consumer support while maintaining a discussion of circumstances where complexity may contribute to diminished value. See also IAIS response E.

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		sanctions, as well as requiring firms to review products and documentation to address identified shortcomings. There is an inherent trade-off between simplicity and completeness of information, which requires balanced approaches. Short, structured and layered information tools can improve consumer understanding. In addition, the role of insurance distributors, through the advice they provide, is essential for customers and should be more explicitly recognised in the section.	
207	Insurance Europe	There is broad consensus that consumers' understanding of insurance products, including their scope and exclusions, is essential. Improving this understanding benefits all stakeholders: it enhances efficiency and outcomes for firms, while reducing frustration and supporting better financial decision-making for consumers. Current market experience shows that EU insurers already provide consumers with extensive information in line with EU and national disclosure requirements. At the same time, consumers increasingly expect a purchasing journey that is both simple, comprehensible and efficient. Many consumers, for example, research products online and complete the purchase offline, while others are fully digital or digital-native and expect the same seamless experience they encounter on other sales platforms. However, a significant proportion of consumers still lack familiarity with basic financial and insurance concepts, which can hinder their ability to make informed choices. This highlights a genuine tension between simplicity and completeness in disclosure. There is no single solution to this challenge, and all stakeholders have a role to play in addressing it and informing consumers effectively. In this context, the EU IPID for non-life products has proven particularly useful, as it presents key information in a concise and consumer-friendly format. Its effectiveness stems from several factors. First, it is short and structured with clear headings, icons and colours. Second, in digital form, it allows for features such as layering and pop-ups, which can improve accessibility and user experience. Third, it focuses on the information that is most essential for consumers, including the type of insurance, the main cover provided, the principal insured risks, the insured sum, the geographical scope where relevant, the key exclusions, the payment of premiums, the duration of the contract, obligations at different stages of the contractual relationship, and the means of terminating the contract. Importantly, the IPID includes a summary of the main exclusions, while the full details remain available in the contractual documentation. In addition, intermediaries can provide more personalised	See response to comment #206.

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		explanations, advice and answers where needed. More broadly, it is important to recognise that the IPID is only one element of a wider and robust consumer protection framework established under the IDD. Beyond the IPID itself, the IDD requires firms and distributors to act honestly, fairly and professionally in accordance with the best interests of customers; to provide information that is fair, clear and not misleading; and to inform consumers in good time before the conclusion of the contract. It also requires proper product design and review through the POG framework, the assessment of consumers' demands and needs, and continuous professional training of at least 15 hours per year for distributors in order to maintain and update their skills. In addition, supervisory authorities have a wide range of powers and tools to monitor the market and intervene where consumer harm or misconduct is identified, including administrative and pecuniary sanctions, as well as requiring firms to review products and documentation in order to address identified shortcomings.	
208	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. Comment #206 then repeated.	See response to comment #206.
209	The Geneva Association	We agree that customers may need support when choosing coverage, deciding between settlement options, considering switching or assessing whether to surrender and replace an existing life insurance policy. However, the policy response should generally be better guidance, clearer tools and more effective support rather than the removal of meaningful options. The section would also benefit from recognising more clearly the complexity of long-term protection products, where switching can have important consequences for underwriting status, premium trajectories and continuity of cover. These governance considerations are particularly important for customers in vulnerable circumstances and for complex or long-duration products, including investment-linked insurance products, where customers may find it more difficult to understand risk, costs, guarantees, surrender implications or the long-term consequences of switching.	See IAIS response J. Additional text recognises the risks and consequences associated with switching decisions, including the potential loss of existing benefits, surrender penalties and underwriting implications. The revised text also acknowledges that post-sale decisions, such as policy surrender, replacement, contractual options and ongoing investment selections, may materially affect realised customer value. See also IAIS response E.

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210	Global Federation of Insurance Associations (GFIA)	Insurance purchasing decisions can be complex, but this is not unique and is comparable to that of many other consumer and financial products. In this regard, consumers have access to significant information about insurance from both companies and supervisors before, during and after the sale. We note that the issue of portability differs significantly across types of insurance. Treating all insurance products as a single category may not be appropriate, for example in property and casualty insurance, differences in underwriting and pricing approaches reflect competitive dynamics and solvency considerations. Insurance purchases are subject to extensive disclosure requirements with differences from jurisdiction to jurisdiction. The insurance industry works diligently in promoting financial literacy, consumer friendly-language, and reducing unnecessary complexity and volume of required documents and disclosures. We share the goal of improving consumers' understanding of their risk profiles and ensuring that products are well understood and meet supervisory. There is an inherent trade-off between simplicity and completeness of information, which requires balanced approaches. Short, structured and layered information tools can improve consumer understanding and expectations.	See IAIS responses J and E. The section was revised to clarify that complexity does not necessarily imply poor value and may be necessary to provide appropriate coverage and consumer benefits. Additional text recognises the risks associated with switching and policy replacement, as well as the potential impact of post-sale decisions on realised customer value.
211	International Actuarial Association (IAA)	The Issues Paper addresses switching decisions (paragraphs 58–61) but not the complex in-force decisions consumers face during the life of long-term products. These include surrender-versus-persistence decisions in participating policies, where the interaction of guaranteed cash value, non-guaranteed bonuses, long break-even horizons and surrender penalties is difficult for consumers to evaluate; and ongoing fund selection in unit-linked products, where consumers make repeated investment decisions typically without ongoing advice after the point of sale. Both can materially diminish realised value even where the product was appropriately sold. Especially the above mentioned issue related to repeated investment decisions is also linked to the distribution conflicts of interest discussed in Paragraph 8.	**Accepted.** Additional text was included recognising that decisions made after purchase may materially affect realised customer value, particularly for certain long-duration products.
212	American Council of Life Insurers (ACLI)	Insurance products vary considerably in their structure and design, reflecting the diverse needs of consumers and the risks being addressed. The presence of complex product features does not, in and of itself, indicate lower customer value. Insurance products often include guarantees, risk-management features, investment elements, and contractual options intended to meet consumers' long-term financial objectives.	**Partially accepted.** The section was revised to clarify that complexity does not necessarily imply poor value and may be necessary to

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			provide appropriate coverage and consumer benefits.
General comments on section 5 Aspects that can enhance the value offered by insurance			
213	National Insurance Commission, Abuja Nigeria	This aspect should be pursued to win/increase trust of the insuring public members.	Comment noted.
214	Allianz SE	Allianz supports the identification of design, claims handling and flexibility as value enhancers.	Comment noted.
215	Institute of International Finance (IIF)	We endorse the Paper's identification of value-enhancing practices and encourage the IAIS to build on this by developing a positive agenda focused on enabling market-driven innovation, including parametric products, usage-based insurance, wellness-linked health products, and rapid catastrophe response products, as examples of how the industry already delivers value through commercial initiative. The IAIS should consider focusing future work on removing regulatory barriers to these innovations rather than on prescriptive value requirements. We would further highlight that the financial soundness and long-term reliability of the insurer is also a component of the value proposition for policyholders. An insurance policy represents a long-term commitment, and the ability of the insurer to meet its obligations over the life of the contract is fundamental to the value the policyholder ultimately receives. We encourage the IAIS to recognize insurer financial strength as an integral dimension of customer value in any future work in this area. We would also note that any premium discounts for risk mitigation must be actuarially justified; the effect of a risk-reduction behaviour on pricing varies considerably depending on the full set of actuarial factors for an individual customer, and we caution against supervisory expectations requiring predetermined minimum mandatory discount thresholds. Finally, we would draw attention to the role of intermediary advice as a driver of financial inclusion and	Partially accepted. The comment raises several issues relating to innovation, financial soundness, risk-based pricing and intermediary advice. See IAIS responses E and F.

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		consumer protection. Access to good quality advice helps consumers identify products suited to their needs and circumstances, and can play an important role in reducing the risk of unnecessary or unsuitable purchases. We encourage the IAIS to reflect the value of advice as a consumer protection mechanism when considering the implications of distribution-related supervisory measures.	
216	Conference of European Bancassurers (CEB)	The CEB considers that this section provides a useful basis to identify elements that contribute positively to the value delivered by insurance products; however, it would benefit from a more comprehensive and behaviourally grounded understanding of what policyholders effectively perceive as value, as well as a more explicit recognition of the role played by distribution models and product structuring in enhancing that value. In particular, the section should more clearly reflect that, from the perspective of consumers, the single most decisive factor in assessing the value of an insurance product is the experience at the time of claim. Evidence from customer satisfaction surveys consistently shows that the perception of value is primarily driven by whether a claim occurs and, crucially, by the speed, fairness, transparency and simplicity of claims handling and compensation processes. This moment of truth is when the promise of insurance materialises, and therefore it has a disproportionately strong impact on customer perception, far exceeding the relevance of other product characteristics such as pricing structures, cost ratios or even certain design features that are difficult for consumers to assess ex ante. In this respect, the section should place greater emphasis on the importance of efficient, accessible and customer-centric claims management frameworks as a key driver of value. Supervisory and policy efforts aimed at enhancing value should therefore prioritise ensuring timely settlement of claims, clarity in claims procedures, effective communication with policyholders, and the availability of robust and agile dispute resolution mechanisms. These elements are directly observable and meaningful for consumers and constitute the primary basis on which trust in insurance is built and maintained over time. At the same time, the CEB considers that the analysis should better acknowledge that other commonly cited aspects—such as product transparency or pricing—while important, are perceived by consumers in a more indirect or limited manner, due to the inherent complexity and probabilistic nature of insurance. As previously highlighted, consumers are generally not in a position to meaningfully assess whether premiums accurately reflect underlying risks, nor do they typically base their decisions on aggregate indicators such as claims ratios. Consequently, an approach to value enhancement that focuses predominantly on ex ante product metrics may not be fully aligned with the actual drivers of	Comment noted. See IAIS responses E and K. The paper recognises streamlined claims processes, support for claimants, communication, timely claims outcomes, rapid payments and product responsiveness as factors that can enhance customer value. Edits have been made to further recognise the role that effective dispute-resolution mechanisms can play in supporting customer value and trust.

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		consumer perception and satisfaction. In addition, the section should more explicitly recognise the positive contribution of cross-selling, bundled and combined product offerings as mechanisms that enhance value, rather than viewing them solely through the lens of potential risks. When appropriately designed and transparently presented, these models allow insurance coverage to be more effectively tailored to the specific risks associated with a primary product or financial need, such as a loan, a mortgage, or the purchase of a durable good. In this way, insurance is not offered in isolation, but as an integrated component of a broader solution, which increases its relevance, usability and perceived utility for the consumer. Cross-selling and bundled offerings therefore contribute to value in several complementary ways. They simplify the consumer journey, reduce the need for separate decision-making processes, and ensure that relevant risks are addressed at the moment they arise. Moreover, by leveraging economies of scale and efficient distribution channels—particularly within bancassurance—they can improve affordability and accessibility, enabling a closer alignment between coverage and consumer needs. Importantly, these practices also play a key role in addressing the structural gap in risk awareness, by introducing insurance protection in contexts where it would otherwise not be actively sought by consumers. From a value perspective, this integration dimension is particularly significant: a product that is easily accessible, contextually relevant and aligned with a concrete need will generally be perceived as more valuable by consumers than a theoretically optimal but standalone product that is difficult to identify, understand or access. For this reason, cross-selling and bundling should be considered as intrinsic value-enhancing features of insurance distribution, provided that appropriate levels of transparency and consumer choice are ensured. The CEB also highlights that technological developments are further reinforcing these positive effects, by enabling more personalised offers, clearer product information, and more efficient claims management processes. Digital solutions allow insurers and distributors to better match coverage to customer profiles, streamline underwriting and claims procedures, and provide real-time updates and assistance, thereby significantly improving the overall customer experience and strengthening perceived value. More broadly, the section should reflect that value in insurance is a dynamic concept that materialises over the full lifecycle of the product, rather than at the point of sale alone. This lifecycle perspective reinforces the central importance of post-sale services—particularly claims handling, ongoing customer	

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		support and communication—as core components of value creation. Finally, the CEB reiterates that efforts to enhance value should be framed in a way that supports consumer choice and market functioning, rather than seeking to impose a uniform or prescriptive definition of value. Consumers may legitimately attach different weights to different product attributes, including subjective elements such as trust, convenience or the existence of an established relationship with a distributor. Regulatory and supervisory approaches should therefore focus on ensuring transparency, fair conduct and effective enforcement, while allowing consumers to make decisions in line with their preferences and circumstances.	
217	France Assureurs	France Assureurs agrees that product design that rewards risk reduction, customer-centric claims handling, product flexibility and responsiveness and downside protection can enhance the value offered by insurance. As recognised in EIOPA's methodology, France Assureurs believes that further elements should be regarded as adding value: Existence and level of financial guarantees or other forms of risk mitigation techniques: for example, the existence of dynamic allocation between a minimum number of assets during product lifecycle and/or between a significant number of countries/currencies/other characteristic (with the purpose of diversification and mitigation of financial risks). Peace of mind: value also lies in providing peace of mind, financial security and resilience through advice, high quality digital processes, service availability and claims handling and prevention services. Sustainability of the product: products with sustainability features can offer a non-monetary value to policyholders valuing such features. Digitalization: digital solutions at point of sale and/or throughout the consumer journey, e.g. products allowing consumers to easily access the asset allocation or to express their preference on product design from a digital platform (e.g. a phone-based app or an interactive website) could be particularly appreciated by some policyholders. Level of advisory/assistance at the point of sale and during the contract duration: the presence of a customised service both at the point of sale and during the contract's life, represents, for some policyholders, an important additional service. For example, a recent Deloitte research in the Italian market shows that 80% of investors who have chosen to use the advisory service perceive the latter as a fundamental added value, especially for the clarity in explaining the costs, benefits and risks of the product.	See new section 1.3.

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		In-kind benefits: 24/7 telemedicine, second medical opinion, patient transport, regular check-ups, home assistance and other services. Presence of particular features, such as non-monetary bonus (e.g. trainings or gift card), more limited exclusions, payment flexibility and succession planning elements (e.g. possibility to ascertain when, how and to whom the sum should be distributed)), adaptation measures oriented towards inclusivity (e.g. adapting processes for vulnerable groups of clients) can be source of non-monetary value to be considered. It is also worth noting that a Deloitte research in the Italian market reports that more than 40% of respondents consider the brand a key factor in their choice of policy, while more than 1 in 2 investors consider the financial strength of the insurer to be fundamental. These elements contribute to building a lasting relationship of trust between customer and company.	
218	The Geneva Association	We welcome this section and encourage the IAIS to keep it prominent. It usefully recognises that value is not only about price and payout, but also about how products are designed, serviced and adapted over time. We would also encourage the IAIS to acknowledge more explicitly that advice, efficient servicing and the peace of mind associated with effective protection can be important elements of customer value.	Comment noted. See IAIS response E, and also new section 1.3.
219	Insurance Europe	Insurance Europe agrees that product design that rewards risk reduction, customer-centric claims handling, product flexibility and responsiveness and downside protection can enhance the value offered by insurance. As recognised in EIOPA's methodology, Insurance Europe believes that further elements should be regarded as adding value: a) Existence and level of financial guarantees or other forms of risk mitigation techniques: for example, the existence of dynamic allocation between a minimum number of assets during product lifecycle and/or between a significant number of countries/currencies/other characteristic (with the purpose of diversification and mitigation of financial risks). b) Peace of mind: value also lies in providing peace of mind, financial security and resilience through advice, high quality digital processes, service availability and claims handling and prevention services. c) Sustainability of the product: products with sustainability features can offer a non-monetary value to policyholders valuing such features.	See response to comment #217.

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		d) Digitalisation: digital solutions at point of sale and/or throughout the consumer journey, e.g. products allowing consumers to easily access the asset allocation or to express their preference on product design from a digital platform (e.g. a phone based app or an interactive website) could be particularly appreciated by some policyholders. e) Level of advisory/assistance at the point of sale and during the contract duration: the presence of a customised service both at the point of sale and during the contract's life, represents, for some policyholders, an important additional service. For example, a recent Deloitte research in the Italian market shows that 80% of investors who have chosen to use the advisory service perceive the latter as a fundamental added value, especially for the clarity in explaining the costs, benefits and risks of the product. f) In-kind benefits: 24/7 telemedicine, second medical opinion, patient transport, regular check-ups, home assistance and other services. g) Presence of particular features, such as non-monetary bonus (e.g. trainings or gift card), more limited exclusions, payment flexibility and succession planning elements (e.g. possibility to ascertain when, how and to whom the sum should be distributed), adaptation measures oriented towards inclusivity (e.g. adapting processes for vulnerable groups of clients) can be a source of non-monetary value to be considered. It is also worth noting that a Deloitte research in the Italian market reports that more than 40% of respondents consider the brand a key factor in their choice of policy, while more than 1 in 2 investors consider the financial strength of the insurer to be fundamental. These elements contribute to building a lasting relationship of trust between customer and company.	
220	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. Comment # 217 repeated.	See response to comment 217.
221	American Council of Life Insurers (ACLI)	As supervisory approaches evolve, it is important to consider the potential impact of value-related expectations on product availability, affordability, innovation, and consumer choice. An approach that is sufficiently flexible to account for differences across products, consumers, and jurisdictions can help advance customer protection objectives while continuing to support financial inclusion, market innovation, and access to insurance coverage.	See IAIS response G.

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Comments on section 5.1 Product design that rewards risk reduction			
222	National Insurance Commission, Abuja Nigeria	The supervisors can encourage insurance institutions to embrace this approach.	Comment noted.
223	Allianz SE	Allianz agrees that incentivising risk reduction can enhance value, provided such incentives are transparent and aligned with customer interests.	Comment noted.
224	Conference of European Bancassurers (CEB)	The CEB recognises the relevance of product design features that incentivise risk reduction and supports the objective of promoting behaviours that contribute to the mitigation of risks and the improvement of overall societal resilience. However, the section would benefit from a more precise and conceptually consistent treatment of the relationship between such mechanisms and the notion of value for money. In particular, the CEB considers it important to clarify that, under the analytical framework proposed in the paper, product features that reward risk reduction do not necessarily constitute, in themselves, an intrinsic enhancement of value. Where a reduction in risk exposure leads to a corresponding reduction in premiums, the overall balance between price and coverage—the basis on which value for money is often assessed—remains broadly unchanged. In this sense, these mechanisms operate primarily as risk-adjustment features, rather than as direct enhancements of value, and should therefore be interpreted with appropriate nuance within the broader analytical framework. At the same time, the CEB strongly emphasises that commercial practices and product designs that incentivise customers to adopt risk-reducing behaviours are highly positive from a societal and economic perspective, and should be actively encouraged. By promoting prevention, safer behaviours and more responsible risk management, such mechanisms contribute to reducing the frequency and severity of losses, enhancing the sustainability of insurance systems and supporting broader public policy objectives. This preventive dimension represents a key strength of the insurance sector and is fully aligned with its role in fostering resilience and stability. Furthermore, these practices can also have indirect positive effects on consumer outcomes by increasing engagement, strengthening awareness of risks and improving the alignment between	The comment highlights that product features which encourage risk reduction may contribute to customer value through a range of channels, including prevention, resilience, customer engagement and improved outcomes. It also emphasises the importance of considering value holistically, taking account of product design, service, claims experience and other factors. These concepts are reflected in the paper's broader discussion of value-enhancing product characteristics and customer outcomes.

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		products and individual circumstances. In doing so, they contribute to narrowing the gap between the perceived and the actual value of insurance, even if they do not directly alter the conventional metrics used to assess value for money. This reinforces the importance of adopting a holistic perspective, which takes into account not only static price-benefit comparisons, but also the dynamic interaction between product design, customer behaviour and long-term outcomes. The CEB also considers that the section should avoid presenting such product features in isolation and instead situate them within a broader framework that recognises the multi-dimensional nature of value in insurance, including protection, service, claims experience and behavioural incentives. As highlighted in other parts of the consultation, consumers do not typically evaluate value solely through quantitative metrics, but through a combination of factors, including the relevance of coverage, ease of use, and the support received throughout the lifecycle of the product. Finally, the CEB underlines that supervisory approaches in this area should remain proportionate and supportive of innovation, allowing insurers to develop and offer products that incorporate incentives for risk reduction in a flexible manner, adapted to different market contexts and consumer needs. Any attempt to standardise or prescribe the way in which such features should be reflected in value assessments should be approached with caution, in order to avoid constraining product development or limiting the diversity of available solutions. In light of the above, the CEB recommends that this section be refined to clarify that, while product designs that reward risk reduction are highly beneficial from a societal and preventive standpoint, their impact on value for money should be assessed in a broader and more nuanced manner, consistent with the overall complexity and multi-dimensional nature of value in insurance.	
225	France Assureurs	France Assureurs agrees with the comments. Other examples of innovative risk management and prevention initiatives are displayed in the Insurance Europe Consumer Hub. However, supervisory frameworks in this area should remain proportionate and supportive of innovation, allowing insurers to develop and offer products that incorporate incentives for risk reduction in a flexible manner, adapted to different market contexts and consumer needs.	Comment noted. See IAIS response F.
226	The Geneva Association	We support product features that encourage risk mitigation and resilience. At the same time, any premium incentives or pricing adjustments should remain actuarially justified, product-appropriate and consistent with domestic pricing frameworks. The paper should avoid language that could be interpreted as endorsing mandated discounts without regard to underlying risk and cost.	Comment noted. The paper describes examples of product features that may enhance customer value and is not intended to prescribe pricing

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			methodologies, pricing outcomes or mandatory discount structures.
227	Insurance Europe	Insurance Europe agrees with the comments. Other examples of innovative risk management and prevention initiatives are displayed in the Insurance Europe Consumer Hub.	Comment noted.
228	Global Federation of Insurance Associations (GFIA)	A robust product design is essential to ensuring value for money. The proper identification of the target market, thorough product testing, and regular product reviews can help ensure that insurance products deliver fair value to the customers for whom they are intended.	These concepts are reflected elsewhere in the paper, including ongoing product monitoring and review in Section 5.3, and governance considerations in Section 6.1.
229	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. France Assureurs agrees with the comments. Other examples of innovative risk management and prevention initiatives are displayed in the Insurance Europe Consumer Hub.	Comment noted.
230	American Council of Life Insurers (ACLI)	ACLI is proactively working with the NAIC to enact updates to the Unfair Trade Practices Model Act to provide certain revisions to anti-rebating prohibitions. Adoption of these revisions allows insurers and producers to provide life insurance and annuity customers with certain value-added products and services that are not specified in the policy, while affording appropriate consumer protection.	Comment noted.
Comments on section 5.2 Customer-centric claims handling			
231	National Insurance Commission, Abuja Nigeria	The current management at the National Insurance Commission, Nigeria has a mantra that insurer should find a reason to settle claims. And this has shown positive effect on the insurance market. The management is exploring supervisory approach to simply claims requirements, so as to boost consumer's experience.	Comment noted. These concepts are aligned with the discussion of streamlined claims processes, claimant support and faster claims outcomes in Section 5.2.
232	Allianz SE	Allianz strongly supports the focus on claims handling as a central component of customer value and underlines the importance of effective customer support, fair claims processes and complaint	Commet noted.

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		management as integral to the customer experience of value. A customer-centric approach requires claims handling processes to be efficient, transparent, and fair, that complaints and claims data are systematically monitored and analysed to identify potential issues and trigger corrective actions where necessary.	
233	The Life Insurance Association of Japan	As set out in the Paper, it is important for insurers to support customers in making claims. While the Paper refers to an example from the general insurance sector, attentive customer support (e.g. providing guidance on claims, providing easy-to-understand information to beneficiaries, simplifying the claim-making process, and attentively supporting the elderly and surviving relatives) also constitutes part of the life insurance value assessment, because claims are often made by surviving relatives or beneficiaries instead of the policyholder when an insurance event occurs, and such persons may not fully understand the policy details or be aware of their eligibility to make a claim. The LIAJ would like to suggest illustrating this in the Paper. To cite a case in Japan, the LIAJ operates the Life Insurance Policy Inquiry System, under which family members etc. can confirm with the LIAJ member life insurers whether the person concerned holds any life insurance policies as a policyholder or insured person, in the following cases: – Where a relative has died or their capacity for cognition and judgement has declined; or – Where a family member etc. has died or gone missing due to a disaster in an area subject to the Disaster Relief Act, and it is difficult to make claims relating to life insurance policies because their home or other property has been washed away or destroyed by fire as a result of that disaster.	Accepted. Addition made into section 5.2.
234	General Insurance Association of Japan	Paragraph 67: While it only emphasizes the benefits of parametric insurance, given that both parametric insurance and traditional indemnity-based insurance have their own roles and benefits, we suggest explaining both.	Edits instead have been made to recognise potential advantages and disadvantages of parametric insurance claims payouts.
235	Conference of European Bancassurers (CEB)	The CEB strongly supports the focus of this section and considers that it correctly identifies customer-centric claims handling as one of the most critical drivers of value in insurance products. However, the CEB believes that this aspect should be given even greater prominence within the overall analytical framework of the paper, as evidence consistently shows that the claims experience is the primary factor shaping consumer perception of value, trust and satisfaction. In insurance, the claims moment represents the materialisation of the contractual promise made to the	The comment highlights the importance of customer-centric claims handling, customer support, communication and dispute-resolution mechanisms in shaping customer

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		policyholder. It is therefore the point at which the value of the product becomes tangible and directly observable to the customer. Elements such as the speed of claims processing, the simplicity and clarity of procedures, the fairness and consistency of outcomes, and the transparency of communication are decisive in determining whether consumers perceive that they have received value from the product. In this context, the CEB considers that any robust framework for assessing value for money must place central emphasis on claims handling practices, rather than relying predominantly on ex ante metrics such as pricing or cost structures. Furthermore, the CEB emphasises that the existence of efficient, accessible and independent mechanisms for resolving disputes between policyholders and insurers constitutes a key pillar of trust in insurance markets. A well-functioning institutional framework—comprising internal complaints procedures, ombudsman services and, where necessary, judicial recourse—ensures that customers have effective avenues to challenge decisions and obtain redress. This contributes not only to protecting individual consumers, but also to reinforcing the overall credibility of the sector and supporting confidence in insurance as a reliable form of protection. Importantly, empirical evidence and market experience indicate that customers are often willing to accept higher premiums where they perceive that claims will be handled efficiently, fairly and without unnecessary friction. This demonstrates that, from a consumer perspective, the quality of claims handling is a more powerful determinant of perceived value than price alone. An analytical approach that prioritises cost-based indicators over service quality risks therefore misrepresenting how consumers actually evaluate insurance products and may lead to misplaced policy emphasis. The CEB also highlights that claims handling should not be viewed in isolation, but rather as part of a broader set of service and assistance elements that contribute to value creation throughout the lifecycle of the contract. Customer support, personalised assistance, proactive communication, and flexibility in managing unforeseen situations all play a crucial role in shaping the overall customer experience and, consequently, in determining perceived value. These dimensions are particularly important given the inherently complex and sometimes stressful nature of insurance claims, where customers rely heavily on the insurer's support. In addition, recent technological developments are significantly enhancing the ability of insurers and distributors to provide more efficient, transparent and user-friendly claims processes, including digital claims submission, real-time tracking and automated decision-making in certain cases. These innovations contribute to improving both the actual and perceived value of insurance, and should be	perceptions of value. The paper already recognises the role of streamlined claims processes, claimant support, communication and timely claims outcomes in enhancing customer value.

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		recognised as part of the evolving landscape of customer-centric claims management. Finally, the CEB reiterates that supervisory frameworks should prioritise and reinforce high standards of claims handling, as this constitutes one of the most effective means of ensuring positive consumer outcomes and strengthening trust in insurance markets. At the same time, such frameworks should remain proportionate and outcome-focused, avoiding overly prescriptive approaches that could constrain innovation or limit the ability of insurers to tailor their processes to different products and customer needs. In light of the above, the CEB recommends that Section 5.2 be further strengthened to reflect the central and decisive role of claims handling in delivering value, emphasising that a fast, fair, transparent and reliable claims process, supported by effective dispute resolution mechanisms, is the cornerstone of consumer trust and one of the strongest determinants of value for money in insurance.	
236	France Assureurs	France Assureurs agrees with the comments. Other examples of enhanced claims management techniques are displayed in the Insurance Europe Consumer Hub. However, supervisory frameworks should remain proportionate and outcome-focused, avoiding overly prescriptive approaches that could constrain innovation or limit the ability of insurers to tailor their processes to different products and customer needs.	Comment noted. See IAIS response F.
237	The Geneva Association	We support the emphasis on customer-centric claims handling. Claims are often the point at which the value of insurance is most visible to customers. Timeliness, clarity of communication, fairness, empathy and operational support can all materially improve outcomes, and this section is a constructive part of the paper.	The supportive comment is noted.
238	Insurance Europe	Insurance Europe agrees with the comments. Other examples of enhanced claims management techniques are displayed in the Insurance Europe Consumer Hub.	Comment noted.
239	International Actuarial Association (IAA)	The discussion of parametric insurance makes no mention of basis risk. Parametric insurance has some very beneficial aspects for certain customers, and some very troubling aspects for others (namely the existence of basis risk that may not be tolerable for some potential customers). Recommend including some mention of both the advantages and disadvantages of this product design, even if only via a footnote reference to a different paper	Accepted. See IAIS response K.
240	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein.	Comment noted.

#	Respondent	Comment	Resolution of comment
		France Assureurs agrees with the comments. Other examples of enhanced claims management techniques are displayed in the Insurance Europe Consumer Hub.	
Comments on section 5.3 Product flexibility and responsiveness			
241	National Insurance Commission, Abuja Nigeria	This approach is not uncommon in this market.	Comment noted.
242	Allianz SE	Allianz agrees that ongoing product reviews and responsiveness to changing customer needs are essential to maintaining value and conducts regular product reviews, with corrective action taken where value deteriorates.	Comment noted.
243	The Life Insurance Association of Japan	As set out in the Paper, when it comes to life insurance products, it is important not only to assess their value at the point of purchase but also to maintain that value throughout the policy term. Due to the long-term nature of life insurance policies, customers' family composition, employment status, asset formation needs and health conditions may change during the policy term. Therefore, the LIAJ would suggest indicating that, to ensure customer value, not only product flexibility but also insurers' engagement with policyholders after the policy has been concluded is important. This could be achieved, for example, by regularly providing information, confirming coverages and providing opportunities to review policies as necessary.	Accepted. In addition to product flexibility and responsiveness, regular communication and opportunities for customers to review their insurance arrangements is now referenced in section 5.3.
244	APCIA	We note there are limitations on what type of information may be requested by insurers to tailor coverage to life changes. Customers need to take actions to bring such changes to the attention of insurers.	This issue has been addressed through the new paragraph that discusses ongoing engagement by both insurer and customer.
245	General Insurance Association of Japan	Paragraph 68: While ensuring a stable supply of products is the responsibility of insurance companies, mid-term adjustments potentially cause serious problems by failing to uphold the contract terms originally promised to customers at the outset of the contract. Therefore, mid-term adjustments, such as the Covid-19 example cited in Paragraph 69, should not be presented as a best practice for product flexibility.	The example is now framed as "an example" rather than "a good example" to mitigate the commentor's concern.

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246	Conference of European Bancassurers (CEB)	The CEB acknowledges the relevance of product flexibility and responsiveness as elements contributing to the value delivered by insurance products, and supports the objective of ensuring that products remain aligned with the evolving needs of consumers and society. In this regard, it is important to emphasise that insurance undertakings are already continuously adapting and renewing their product offerings, in order to respond to emerging risks, changing customer expectations and broader economic and social developments. This capacity for ongoing adaptation constitutes a core feature of well-functioning and competitive insurance markets, enabling insurers to accompany individuals and businesses throughout their lifecycle and across different risk environments. Insurance products are not static by nature; rather, they are the result of continuous innovation, refinement and adjustment, driven by evolving risk landscapes such as climate-related events, demographic changes, technological developments and new forms of economic activity. This dynamic approach ensures that coverage remains relevant, that protection gaps are addressed over time, and that customers are offered solutions that reflect their changing circumstances and risk profiles. In this sense, product flexibility and responsiveness should be recognised not as exceptional features, but as inherent characteristics of a competitive insurance sector operating in a market environment. At the same time, the CEB considers that the section would benefit from a more balanced and pragmatic assessment of the implications of increased flexibility for consumers. While additional options, product variations or adaptive features can enhance the ability to tailor coverage to individual needs, they may also introduce greater complexity into the decision-making process, potentially making it more difficult for consumers to compare products or fully understand all available options. As highlighted in previous sections, consumer decision-making in insurance is already subject to structural challenges, including information asymmetries and behavioural factors, and the introduction of further layers of flexibility should be carefully assessed in light of its practical impact on usability and comprehension. For this reason, the CEB emphasises that the value of flexibility should not be considered in isolation, but rather in conjunction with the need to ensure clarity, transparency and effective support for customers in navigating product choices. In particular, the role of distributors—including bancassurance channels—remains essential in helping customers understand available options, contextualise their needs and select appropriate levels of coverage, thereby ensuring that flexibility translates into real and usable value, rather than added complexity. Furthermore, the CEB notes that some of the examples included in this section may implicitly assume	The comment highlights that while product flexibility may enhance customer value, greater flexibility may also increase product complexity and may therefore need to be balanced against simplicity, transparency and customer understanding. These issues have been addressed through the addition of a new paragraph. See also IAIS responses E and F.

#	Respondent	Comment	Resolution of comment
		that increased optionality or responsiveness automatically leads to enhanced value, without sufficiently considering the trade-offs involved. In practice, the design of insurance products must balance flexibility with simplicity, affordability and operational feasibility, and an excessive proliferation of options may not necessarily improve consumer outcomes if it leads to confusion or suboptimal decision-making. This reinforces the importance of adopting a consumer-centric perspective, taking into account how products are actually understood and used by policyholders, rather than focusing solely on theoretical design features. The CEB also reiterates that supervisory approaches in this area should remain proportionate and supportive of innovation, allowing insurers to continue adapting their products in response to evolving risks and customer expectations. Prescriptive or overly standardised expectations regarding product flexibility could constrain the ability of insurers to develop tailored solutions and may ultimately limit the diversity of products available to consumers, to the detriment of overall market effectiveness. In light of the above, the CEB recommends that Section 5.3 be refined to acknowledge more explicitly that product flexibility and responsiveness are already integral to the functioning of competitive insurance markets, while also recognising that increased flexibility may introduce additional complexity that needs to be carefully managed through transparency, effective distribution and customer support. A more balanced perspective would better reflect the trade-offs inherent in product design and ensure that flexibility contributes meaningfully to value from the perspective of consumers.	
247	France Assureurs	The flexibility of a product to adapt to life circumstances and the adaptation of a product through continuous and regular monitoring to meet the needs of the target market are two different concepts. France Assureurs agree that products should be flexible where possible, but the final paper should acknowledge that there is no one-size-fits-all situation and that the level of flexibility of a product may depend on many factors, such as the type of product or the target market addressed. We also agree that it is important to monitor products on a regular basis, but the criteria for triggering a review cannot be uniform and the final paper should not impose any criteria.	The comment highlights that while product flexibility may enhance customer value, greater flexibility may also increase product complexity and may therefore need to be balanced against simplicity, transparency and customer understanding. These issues have been addressed through the addition of a new paragraph.

#	Respondent	Comment	Resolution of comment
248	The Geneva Association	The flexibility of a product to adapt to life circumstances and the adaptation of a product through continuous and regular monitoring to meet the needs of the target market are two different concepts. We agree that products should be flexible where possible, but the final paper should acknowledge that there is no one-size-fits-all situation and that the level of flexibility of a product may depend on many factors, such as the type of product or the target market addressed. We also agree that it is important to monitor products on a regular basis, but the criteria for triggering a review cannot be uniform and the final paper should not impose any criteria.	See response to comment #247.
249	Insurance Europe	Insurance Europe agrees with the comments.	Comment noted.
250	Global Federation of Insurance Associations (GFIA)	We note there are limitations on what type of information can be requested by insurers so that the insurance coverage can be tailored to life changes. Customers need to take actions to bring such changes to the attention of insurers.	This issue has been addressed through the new paragraph that discusses ongoing engagement by both insurer and customer.
251	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein.	See response to comment #247.
252	American Council of Life Insurers (ACLI)	U.S. life insurers offer products with a variety of add-on or opt-in features that allow tailored protections and flexibility to consumers. A variety of annuities offer these features.	Comment noted.
Comments on section 5.4 Downside protection			
253	National Insurance Commission, Abuja Nigeria	This approach offers fair trade practice.	Comment noted.
254	Allianz SE	Downside protection is an important factor in generating value for the customer and should be part of the product oversight and governance (POG) process when designing insurance products.	Comment noted. Section 5.4. now acknowledges that

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		With regard to financial downside risk especially with IBIPs, guarantees are by design the optimal way for customers to protect themselves from stock market fluctuations during the savings and payout phase of their pension products. Life-cycle methods can also achieve similar downside protection for pension products when they are designed in a sensible manner.	downside protection may be achieved through a range of mechanisms depending on the nature of the product.
255	Conference of European Bancassurers (CEB)	The CEB considers that this section does not provide sufficient analytical depth or breadth to justify its inclusion as a standalone component within the discussion of value-enhancing aspects of insurance products. In its current form, the section appears to rely primarily on a single, highly specific example drawn from a particular market context, which does not lend itself to generalisation or to the derivation of broader policy conclusions at a global level. From an analytical perspective, the inclusion of isolated or context-specific examples risks introducing distortions in the overall assessment of value, particularly where such examples are not representative of prevailing market practices or structural characteristics of insurance products. As highlighted throughout the CEB's comments, the robustness of the Issues Paper would benefit from a more consistent reliance on evidence that is both sufficiently broad and demonstrably relevant across jurisdictions, in order to ensure that conclusions are proportionate, balanced and applicable to the diversity of insurance markets. The CEB also notes that the concept of "downside protection," as presented in this section, does not appear to introduce a clearly distinct or additional dimension of value beyond the core function of insurance itself, which is inherently to provide protection against adverse events. In this sense, there is a risk of conceptual overlap with other sections of the paper, without a clear contribution to the overall analytical framework. This may reduce the coherence of the document and dilute the focus on those elements that are most relevant to understanding and assessing value for money from a consumer perspective. Furthermore, the reliance on a limited set of examples—without sufficient consideration of their representativeness—may inadvertently reinforce the broader concern identified by the CEB regarding the use of non-generalizable cases to support wider conclusions. This approach risks overstating the significance of particular practices and may lead to supervisory interpretations that are not adequately grounded in the overall functioning of insurance markets. In light of these considerations, the CEB suggests that this section be reconsidered or removed, as its current content does not appear to provide meaningful added value to the analysis. Alternatively,	The section is retained. It is also supported by other consultation commentors who agree it can enhance value for the consumer.

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		should the IAIS consider it important to retain the concept, it would be necessary to significantly expand and substantiate the section, ensuring that it is supported by broader, cross-jurisdictional evidence and clearly integrated within the overall conceptual framework of value for money. Ensuring that the Issues Paper maintains a coherent, evidence-based and proportionate structure is essential not only for its analytical credibility, but also for supporting appropriately targeted supervisory approaches that reflect the realities of insurance markets and avoid unintended consequences for consumer trust and market functionality.	
256	France Assureurs	France Assureurs agrees that product design that mitigates the downside risk for the customer can enhance the value offered by the product. However, this section should better reflect that insurance products available on the market can provide different forms of safety and peace of mind without the need for top-down product design requirements. The single example provided (investment-linked insurance products for which the Malaysian NCA prescribes minimum and maximum amounts of sum assured) appears instead to point towards the latter approach.	The paper does not seek to prescribe specific product designs or product features. Also the opening of section 5 now states that: “Market-driven product innovation and competition is welcome, and should be guided by providing value to consumers and treating consumers fairly.”
257	The Geneva Association	While we acknowledge the need for appropriate product design, the final paper should avoid prescriptive product design constrains that could limit product diversity and innovation. Downside risk could be efficiently addressed with good product governance.	The paper does not seek to prescribe specific product designs or product features. Also the opening of section 5 now states that: “Market-driven product innovation and competition is welcome, and should be guided by providing value to consumers and treating consumers fairly.”
258	Insurance Europe	Insurance Europe agrees that product design that mitigates the downside risk for the customer can enhance the value offered by the product. However, this section should better reflect that insurance products available on the market can provide different forms of safety and peace of mind without the need for top-down product design requirements. The single example provided (investment-linked	See response to comment #256

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		insurance products for which the Malaysian NCA prescribes minimum and maximum amounts of sum assured) appears instead to point towards the latter approach.	
259	International Actuarial Association (IAA)	Downside protection should also address the risk of early-years lapse in long-term life products, which typically imposes the largest economic loss on the consumer. Relevant supervisory tools include cooling-off periods calibrated to product complexity and use of early lapse rates as a trigger for supervisory review of sales practices.	Reference to cooling-off periods has been added.
260	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. Comment #256 repeated.	See response to comment #256.
261	American Council of Life Insurers (ACLI)	U.S. life insurers offer products like Registered Index-Linked Annuities RILAs and other products that offer downside protection. Through features such as buffers or floors that limit potential losses, RILAs enable consumers to participate in market growth while managing risk, offering a balanced approach between capital preservation and return potential.	Comment noted.
General comments on section 6 How supervisors can assess that the insurance industry is offering value			
262	National Insurance Commission, Abuja Nigeria	There should be consistent monitoring of all operational and governance performance of insurance institutions for value assessment purposes. Any deficiency should attract remedial response to protect all stakeholders, including the investors.	Comment noted. No revision required.
263	Allianz SE	Allianz supports a multi-indicator approach to assessing value and applies qualitative and quantitative indicators, including claims ratios, complaints, persistency and distribution metrics, within a structured retail risk framework.	Comment noted. Please see IAIS response G.
264	The Life Insurance Association of Japan	Some of the examples cited in the Paper (specifically, add-on insurance when purchasing a motor vehicle in Australia, as introduced in paragraph 24 (Susie's case in footnote 14); credit card repayment insurance and Guaranteed Asset Protection insurance, as introduced in paragraph 73; and unit-linked products as introduced in paragraph 75) could be regarded as highly exceptional cases. This is because, in these cases, factors such as markedly skewed claims ratios or returns for particular product types/sales channels, sales practices specific to add-on sales, and behavioural biases influenced the situation.	Comment noted. Please see IAIS response G.

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		While these examples indicate the need for supervisory action in certain areas, caution should be exercised in directly applying them to the assessment of insurance products in general or the insurance market as a whole.	
265	APCIA	Supervisory indicators such as claims ratios, expense ratios, commission levels or profitability should not be used as standalone proxies for customer value. Their interpretation is highly product-specific and may produce misleading conclusions when applied without consideration of risk characteristics, product design, consumer preferences and market conditions. As well, the assessment of customer value should be proportionate and recognize important distinctions among life, health, savings, retirement and property and casualty products. A single supervisory framework is unlikely to capture the differing objectives, risk characteristics and consumer expectations associated with these product categories. Accordingly, supervisory indicators and metrics should be interpreted in the context of the specific product and market being assessed. Indicators such as claims ratios should only be used as part of a broader, contextualised assessment and never as standalone measures. Supervisory monitoring should remain proportionate and avoid excessive reporting burdens. In addition, we would like to point out that the market monitoring by the supervisory authority must comply with the principle of proportionality. Reporting requirements about consumer value should not place an excessive burden on insurers.	Comment noted. Please see IAIS response G.
266	Institute of International Finance (IIF)	We support a multi-indicator approach to assessing value that integrates quantitative and qualitative measures, and have significant concerns about elevating claims ratios as a primary value indicator. Claims ratios vary legitimately across product types and risk profiles. For instance, a catastrophe cover may structurally carry a low claims ratio in most years, yet provide enormous value as a backstop against low-frequency, high-severity events. Critically, claims ratios do not capture the full value of insurance, including risk management services, claims investigation, fraud prevention, and the financial certainty provided by the risk transfer itself. Claims ratios are also inherently volatile year-to-year and create perverse incentives, as supervisory pressure to maintain minimum ratios may prompt insurers to exit niche or underserved markets, directly worsening protection gaps. As noted, the Paper itself cites research indicating that consumers do not readily understand claims ratios and that presenting them may inadvertently influence purchasing decisions toward low-value products (Para. 22) – a concern that applies equally in the supervisory	Comment noted. Please see IAIS response G. In particular, we have adjusted the subsection to broaden the supervisory context in which claims ratios are treated.

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		context, and that would appear to undermine the case for treating claims ratios as a reliable indicator of value delivery. We recommend that the IAIS caution explicitly against over-reliance on claims ratios and instead advocate for their interpretation in combination with qualitative assessments including governance reviews, complaints data, persistency rates, product testing outcomes, which provide a more comprehensive and reliable picture of value delivery. The use of quantitative indicators should incorporate multi-year assessment periods and product-type benchmarks to account for structural variation across lines of business.	
267	Conference of European Bancassurers (CEB)	The CEB broadly agrees with the approach outlined in this section and welcomes the recognition that supervisors may rely on a range of tools and indicators to assess whether insurance products deliver value to customers. However, the CEB considers that the section would benefit from explicitly stating that any assessment of value for money must necessarily be holistic and multidimensional, combining both quantitative and qualitative elements, and taking into account the way in which consumers actually perceive and assess value in practice. In particular, while quantitative indicators—such as claims ratios or cost metrics—can provide useful high-level insights, the CEB emphasises that they present important limitations and should not be used in isolation. Insurance is fundamentally based on a promise of future protection, and as such, a significant part of the value perceived by customers relates to elements that are not captured in product-level financial accounts. These include, inter alia, the solidity, reputation and solvency of the insurance undertaking, which underpin the credibility of that promise. The costs associated with maintaining these attributes—such as capital requirements, risk management frameworks or governance structures—are essential to value creation but are not directly reflected in simple product metrics, and therefore risk being overlooked in purely quantitative assessments. Moreover, the section should more clearly acknowledge that aggregate indicators such as claims ratios may provide an incomplete or even misleading picture of value. As highlighted in previous sections, the perception of value is primarily shaped by claims experience and claims handling quality, rather than by portfolio-level statistics. Quantitative indicators must be complemented by qualitative assessments focusing on the actual consumer experience. In this context, the CEB encourages supervisors to consider additional metrics that better capture customer perception, such as customer satisfaction indicators i.e. Net Promoter Score (NPS) or the	Comment noted. Please see IAIS response G. We have adjusted the subsection to flag the broader supervisory considerations within which claims ratios have a role.

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		number/ratio of complaints related to value issues, which can provide meaningful insights into how consumers evaluate the overall value of insurance products and services. These indicators, while not without limitations, are closer to real consumer sentiment and therefore represent an important complement to traditional financial metrics. More fundamentally, the CEB considers that this section should recognize explicitly that any supervisory assessments should be grounded in a behavioural economics perspective, recognising that consumers do not make decisions based on purely rational and quantifiable evaluations. Instead, purchasing decisions are influenced by a combination of factors, including trust, accessibility, convenience, existing relationships with distributors, and contextual triggers. As a result, a comprehensive assessment of value must incorporate all the dimensions that effectively shape consumer choices, rather than focusing narrowly on measurable cost-benefit ratios. The CEB also notes that in certain jurisdictions and distribution models—particularly within bancassurance—additional elements may enhance perceived value but are not captured by standard metrics. These include, for example, cross-subsidisation between products. Such features may play a significant role in the overall value proposition offered to consumers, yet remain invisible in traditional supervisory indicators, further reinforcing the need for a more comprehensive and flexible evaluative framework. In light of these considerations, the CEB reiterates that value for money is inherently a complex and partly subjective concept, which cannot be reduced to a single methodology or a limited set of indicators. Supervisory approaches should therefore aim to reflect this complexity by combining quantitative data, qualitative assessments and behavioural insights, ensuring that evaluations are aligned with the actual drivers of consumer perception and experience. Finally, the CEB recalls that, as in other sections of the paper, supervisory frameworks should not seek to override or substitute consumer decision-making, even where consumers may give weight to subjective or non-quantifiable factors. The role of supervisors should remain focused on ensuring transparency, fair conduct and the proper functioning of markets, while allowing consumers to exercise their preferences within a competitive environment. In conclusion, while supporting the general direction of the section, the CEB recommends that it be further refined to explicitly require a comprehensive, balanced and behaviourally informed approach to the assessment of value, integrating both quantitative and qualitative dimensions and recognising the full range of factors that underpin how consumers perceive and experience insurance products.	

#	Respondent	Comment	Resolution of comment
268	France Assureurs	France Assureurs 's comments on section 6 are reflected below. In general, however we would like to point out that the market monitoring by the supervisory authority must comply with the principle of proportionality. Reporting requirements about consumer value should not place an excessive burden on manufacturers. For example, instead of introducing extensive reporting requirements on value for money for all manufacturers, supervisors should follow a differentiated approach: Supervisors should use tools of market surveillance such as consumer complaints, dialogue with out-of-court dispute resolution bodies, mystery shopping, reports by consumer protection organisations to identify cases where evidence indicates a breach of legal requirements. In these cases, the supervisory authority should examine the relevant product and/or manufacturer more closely. Indicators such as claims ratios should only be used as part of a broader, contextualised assessment and never as standalone measures. Supervisory monitoring should remain proportionate and avoid excessive reporting burdens. In addition, we would like to point out that the market monitoring by the supervisory authority must comply with the principle of proportionality. Reporting requirements about consumer value should not place an excessive burden on manufacturers.	Comment noted. Please see IAIS response G. We have adjusted the subsection to flag the broader supervisory considerations within which claims ratios have a role.
269	The Geneva Association	We agree that supervisors need practical ways to monitor outcomes. Our recommendation, however, is that the paper should advocate a multi-factor, risk-based and contextual approach rather than reliance on any single quantitative indicator. Supervisory tools are best used to identify outliers, emerging risks and areas for deeper review, not to create implied one-size-fits-all thresholds across diverse insurance products and markets.	Comment noted. Please see IAIS response G. We have adjusted the subsection to flag the broader supervisory considerations within which claims ratios have a role.
270	Insurance Europe	Insurance Europe's comments on section 6 are reflected below. In general, however we would like to point out that the market monitoring by the supervisory authority has to comply with the principle of proportionality. Reporting requirements on the subject of consumer value should not place an excessive burden on manufacturers. For example, instead of introducing extensive reporting requirements on VfM for all manufacturers, supervisors should follow a differentiated and risk-based approach: supervisors should use tools of market surveillance such as consumer complaints, dialogue with out-of-court dispute resolution bodies, mystery shopping, reports by consumer protection	Comment noted. Please see IAIS response G. We have adjusted the subsection to flag the broader supervisory considerations

#	Respondent	Comment	Resolution of comment
		organisations to identify cases where evidence indicates a breach of legal requirements. In these cases, the supervisory authority should examine the relevant product and/or manufacturer more closely. At any rate, indicators such as claims ratios should not be considered in isolation, but only be used as part of a broader, contextualised assessment.	within which claims ratios have a role.
271	Global Federation of Insurance Associations (GFIA)	Supervisory indicators such as claims ratios, expense ratios, commission levels or profitability should not be used as standalone proxies for customer value. Their interpretation is highly product-specific and may produce misleading conclusions when applied without consideration of risk characteristics, product design, consumer preferences and market conditions. As well, the assessment of customer value should be proportionate and recognise important distinctions among life, health, savings, retirement and property and casualty products. A single supervisory framework is unlikely to capture the differing objectives, risk characteristics and consumer expectations associated with these product categories. Accordingly, supervisory indicators and metrics should be interpreted in the context of the specific product and market being assessed. Indicators such as claims ratios should only be used as part of a broader, contextualised assessment and never as standalone measures. Supervisory monitoring should remain proportionate and avoid excessive reporting burdens. In addition, we would like to point out that the market monitoring by the supervisory authority must comply with the principle of proportionality. Reporting requirements about consumer value should not place an excessive burden on insurers.	Comment noted. Please see IAIS response G. We have adjusted the subsection to flag the broader supervisory considerations within which claims ratios have a role.
272	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. CNP Assurances agrees that supervisory assessments of consumer value should remain proportionate and risk-based. Indicators such as claims ratios, complaints data or other quantitative metrics should only be used as part of a broader and contextualised assessment and should not serve as standalone measures of value. Supervisory monitoring should build on existing market surveillance tools and avoid imposing disproportionate reporting requirements on manufacturers. France Assureurs 's comments on section 6 are reflected below. In general, however we would like to point out that the market monitoring by the supervisory authority must comply with the principle of	Comment noted. Please see IAIS response G. We have adjusted the subsection to flag the broader supervisory considerations within which claims ratios have a role.

#	Respondent	Comment	Resolution of comment
		proportionality. Reporting requirements about consumer value should not place an excessive burden on manufacturers. For example, instead of introducing extensive reporting requirements on value for money for all manufacturers, supervisors should follow a differentiated approach: Supervisors should use tools of market surveillance such as consumer complaints, dialogue with out-of-court dispute resolution bodies, mystery shopping, reports by consumer protection organisations to identify cases where evidence indicates a breach of legal requirements. In these cases, the supervisory authority should examine the relevant product and/or manufacturer more closely. Indicators such as claims ratios should only be used as part of a broader, contextualised assessment and never as standalone measures. Supervisory monitoring should remain proportionate and avoid excessive reporting burdens. In addition, we would like to point out that the market monitoring by the supervisory authority must comply with the principle of proportionality. Reporting requirements about consumer value should not place an excessive burden on manufacturers.	
Comments on section 6.1 Demonstrations in the governance and corporate culture			
273	National Insurance Commission, Abuja Nigeria	The supervisory approach should focus on these aspects intently.	Comment noted. No revision required.
274	Brenda Cude University of Georgia, USA	In the first line of the UK section, perhaps "insurer's" should be the plural possessive "insurers'"	Agreed
275	Allianz SE	Allianz agrees that governance and corporate culture are foundational to the delivery of customer value, including accountability on Boards and senior management for customer protection outcomes and resulting embedded customer-centricity at all organisational levels.	Comment noted.
276	Conference of European	The CEB broadly agrees with the approach outlined in this section and considers that governance and corporate culture constitute one of the most fundamental, albeit less tangible, drivers of value for money in insurance products. While, by their nature, these elements are difficult to observe, measure	Comment noted. The subsection has been adjusted to refer specifically to product

#	Respondent	Comment	Resolution of comment
	Bancassurers (CEB)	and supervise directly, their influence permeates the entirety of insurers' strategic orientation, business models and day-to-day operations. A strong governance framework and a customer-centric corporate culture are essential to ensuring that insurance undertakings consistently deliver fair outcomes and appropriate value to policyholders over time. In this respect, the CEB considers that the section correctly identifies an area that is crucial for the effective functioning of insurance markets, as the commitment to customer value ultimately depends not only on formal product characteristics or pricing structures, but also on the values, incentives and decision-making processes embedded within insurance companies. Governance arrangements that prioritise long-term relationships, customer satisfaction and responsible business conduct contribute directly to aligning insurers' interests with those of their customers, thereby reinforcing trust and ensuring that value is delivered in a sustainable and consistent manner. At the same time, the CEB emphasises that the inherent complexity and qualitative nature of these aspects require a cautious and proportionate supervisory approach. Unlike quantitative metrics, governance and culture cannot be fully captured through standardised indicators or prescriptive benchmarks, and attempts to do so may result in formalistic or overly rigid frameworks that do not necessarily reflect the genuine commitment of firms to customer outcomes. Supervisory assessments in this area should therefore remain principles-based and outcome-oriented, allowing for differences in business models, organisational structures and market contexts, while maintaining a clear focus on ensuring fair treatment of customers. The CEB also considers it important to highlight that, within the European Union, there already exists a robust and well-established framework for product governance (POG), which plays a key role in ensuring alignment between insurance products and the needs and interests of customers. This framework—developed notably under the Insurance Distribution Directive (IDD) and complemented by broader conduct and governance requirements—requires insurers and distributors to define target markets, assess product suitability, monitor product performance and take corrective action where necessary. As such, it provides a structured and effective basis for embedding customer-centric considerations into product design and distribution, and should be recognised as an important reference point for supervisory expectations in this area. Furthermore, the CEB considers that the importance of governance and corporate culture should be linked more explicitly to other key drivers of value identified throughout the paper, particularly the quality of claims handling, the effectiveness of customer support and the overall customer experience.	governance, oversight and corporate culture.

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		A strong customer-centric culture is reflected not only in internal policies but in the way insurers and distributors engage with customers in practice, especially at critical moments such as claims. In this sense, governance and culture act as foundational elements that underpin and reinforce all other dimensions of value creation. The CEB also highlights that, in market-based systems, firms have strong incentives to develop and maintain sound governance frameworks and a positive corporate culture, as these are essential to building trust, ensuring customer retention and supporting long-term business sustainability. In particular, within bancassurance models, where insurance is embedded in broader customer relationships, maintaining a high level of customer satisfaction and a positive experience is critical to preserving trust and strengthening long-term engagement. This further reinforces the alignment between good governance practices and the delivery of value to customers. Finally, the CEB reiterates that supervisory expectations in this area should be proportionate, evidence-based and respectful of the diversity of market practices, avoiding overly prescriptive approaches that could constrain legitimate business strategies or innovation. The objective should be to encourage and reinforce robust governance and customer-centric cultures, rather than to impose uniform models that may not be appropriate across different contexts. In light of the above, the CEB supports the inclusion of this section and its underlying objective, and recommends that it be further developed to reflect the central, cross-cutting role of governance and corporate culture in ensuring fair customer outcomes, while acknowledging the practical challenges associated with their assessment, recognising the existence of robust product governance frameworks in jurisdictions such as the European Union, and maintaining a balanced, flexible and principles-based supervisory approach.	
277	France Assureurs	In the EU, insurers already act under the strict IDD POG rules that require the regular evaluation of products to ensure that they continue to offer value for customers. These ongoing reviews and redesigns mean that products meet consumers' expectations and are adapted to continue to add value. In addition, consumer protection regulatory frameworks in the different EU markets ensure that consumer centricity and interests are embedded in firms' strategy, governance, and daily commercial operations to deliver fair outcomes.	Comment noted.
278	GCAF - Groupe des contrôleurs	Top of page 35 : The link (footnote 56) to FCA document TR 24/2 does help but as mentioned above under Comment on Section 2, perhaps it would be clearer to the lay reader or non-native speaker if "general insurance" were substituted by "non-life insurance".	Actioned.

#	Respondent	Comment	Resolution of comment
	d'assurance francophones	Similarly, and if naturally the FCA would agree, perhaps the appeal to read the (excellent) FCA document TR 24/2 would be even greater if the phrase “pure protection products” —which, at first sight, may read slightly opaque— was detailed in some way (as is done under §3.2 of TR 24/2), e.g. “pure protection products (such as whole life for those aged over 50, term assurance and income protection products)”.	
279	The Geneva Association	We support strong corporate governance that prioritizes fair consumer outcomes, but we caution that assessments of "corporate culture" are highly subjective. Supervisors should focus on verifiable outcomes such as clear disclosures, prompt claims payments, or product performance.	Comment noted.
280	Insurance Europe	In the EU, insurers already act under the strict IDD POG rules that require manufacturers to continuously monitor and regularly review insurance products to assess whether they remain consistent with the needs, characteristics and objectives of the identified target market, and take remedial actions where needed. In addition, consumer protection regulatory frameworks in the different EU markets ensure that consumer centricity and interests are embedded in firms’ strategy, governance and daily commercial operations to deliver fair outcomes.	Comment noted.
281	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. In the EU, insurers already act under the strict IDD POG rules that require the regular evaluation of products to ensure that they continue to offer value for customers. These ongoing reviews and redesigns mean that products meet consumers’ expectations and are adapted to continue to add value. In addition, consumer protection regulatory frameworks in the different EU markets ensure that consumer centricity and interests are embedded in firms’ strategy, governance, and daily commercial operations to deliver fair outcomes.	Comment noted.
Comments on section 6.2 Low claims ratios			
282	National Insurance Commission, Abuja Nigeria	This section offers insight into claims administration of insurance institutions. I will study the insights.	Comment noted.

#	Respondent	Comment	Resolution of comment
283	Brenda Cude University of Georgia, USA	#73 New Zealand section: There are two periods at the end of the last sentence. I would appreciate one more sentence indicating that the FMA did about their findings. Belgium section: Perhaps the end of the last sentence would be clearer if it were worded: "one product was redesigned to add coverages."	Comments actioned with editorial fixes.
284	Allianz SE	Allianz agrees that claims ratios can be a useful supervisory indicator but should be interpreted in context and in combination with other metrics.	Comment noted. Please see IAIS response G.
285	The Life Insurance Association of Japan	Although the claims ratio can serve as one reference indicator, a low claims ratio does not necessarily mean that the value is low. The purpose of insurance is to prepare for uncertain future risks. The LIAJ believes that the value of life insurance in particular lies in its functions of providing long-term risk coverage and peace of mind. In fact, life insurers in Japan invest resources (at their own cost) to deliver customer value by regularly contacting customers to confirm whether their needs have changed, attentively supporting them in making claims, and providing long-term coverage. Also, it would not be appropriate to determine that an insurance product has low value based solely on the ratio of claims payments relative to the sum of premiums paid, because some insurers return surplus funds (which could arise from factors such as lower-than-expected claims) to the policyholders in the form of policyholder dividends etc. Additionally, an extremely high claims ratio can affect the insurers' financial soundness and sustainability, ultimately harming the customers' interests. Therefore, it would be difficult to conclude that an insurance product is unnecessary based solely on the claims ratio. As the claims ratio is expected to vary greatly depending on the social security system in each jurisdiction, the value of insurance products should be judged by taking into account the product's characteristics, the market conditions, and the systems in each jurisdiction. Taking the above into account, the LIAJ considers that, if the concern in some jurisdictions is that claims are not being paid appropriately (i.e. customer value is being impaired), the paper should refer	Comment noted. Please see IAIS response G.

#	Respondent	Comment	Resolution of comment
		to “appropriate” claims ratios that indicate whether the insurers have properly paid the claims/benefits that are supposed to be paid in line with policy terms, rather than “low” claims ratios.	
286	APCIA	Claims ratios should generally be interpreted in context, as they may be influenced by the type of coverage and target market. As such, they are, at most, informative when considered alongside other factors, rather than as standalone measures of value.	Comment noted. Please see IAIS response G.
287	General Insurance Association of Japan	Paragraph 73: While it is stated that evidence of a lack of value may be observed through low ratios of claims payments relative to the sum of premiums paid, a low ratio does not necessarily constitute evidence of a lack of product value. Therefore, careful and thorough consideration is required from the perspective of product characteristics. Furthermore, in the underwriting of tail risks such as natural disasters, as well as new risks and ultra-long-term risks, the ratio of claims paid may be low depending on the observation period. As such, it is necessary to take into account the characteristics of the product and the business. Paragraph 73: While we do not dispute the cases cited as examples, given that there are insurance lines with unstable loss ratios—particularly those involving natural disasters—we request that appropriate notes be included in the report to prevent the misconception that 'a consistently low loss ratio equals inappropriate premium rate setting'.	Comment noted. Please see IAIS response G.
288	Conference of European Bancassurers (CEB)	The CEB acknowledges that claims ratios must be considered as one of the main quantitative indicators available to supervisors when assessing whether insurance products deliver value to customers. However, the CEB considers it essential to highlight the significant methodological limitations associated with this indicator, specially in risk insurance, which should be explicitly recognized in the section in order to avoid potential misinterpretation or over-reliance. Furthermore, the CEB recalls that claims ratios do not take into account several critical dimensions of value, including the protection provided against risk, the peace of mind associated with coverage, the reliability and solvency of the insurer, or the quality of service and assistance delivered throughout the lifecycle of the product. These elements are central to the value proposition of insurance but are not reflected in simple financial ratios. The CEB also underlines that reliance on claims ratios as a primary indicator may be particularly misleading in specific contexts. For instance, insurance with long lifecycle such us nat-cat or others related to the economic cycle, might display low claims ratios over long periods, without implying that they fail to deliver value, while situations may exist where high claims ratios coexist with poor consumer	Comment noted. Please see IAIS response G.

#	Respondent	Comment	Resolution of comment
		outcomes (for example if claims are subject to delays, disputes or burdensome processes that undermine the customer experience). This shows that claims ratios, taken in isolation, do not provide a reliable proxy for value for money. In light of these considerations, the CEB strongly advocates for the adoption of a holistic and multidimensional approach to the assessment of value, in which claims ratios are used, where appropriate, only as one indicator among a broader set of quantitative and qualitative metrics. Such an approach should include, in particular, indicators related to claims handling quality, customer satisfaction, complaints, dispute resolution outcomes, service levels and overall customer experience, as well as behavioural insights into how consumers perceive and evaluate insurance products in practice. More generally, the CEB reiterates that any supervisory framework aimed at assessing value for money must reflect the complex, subjective and context-dependent nature of value in insurance, and avoid an excessive reliance on simplified or single-dimensional metrics. A more balanced and comprehensive approach would ensure that supervisory assessments are aligned with the actual drivers of consumer outcomes, while reducing the risk of unintended consequences for product availability, innovation and market functioning. In light of the above, the CEB recommends that Section 6.2 be refined to explicitly acknowledge the limitations of claims ratios as an standalone indicator of value, to discourage their use in isolation, and to embed them within a broader, integrated framework of evaluation that provides a more accurate and realistic reflection of the value delivered to policyholders.	
289	France Assureurs	France Assureurs acknowledges that claims ratios must be considered as one of the main quantitative indicators when assessing insurance products value. However, it essential to highlight the significant methodological limitations associated with this indicator, especially in risk insurance, which should be explicitly recognized in the section in order to avoid potential misinterpretation or over-reliance. Claims ratio (claims paid on premiums collected) is an indicator that should be used with caution, as part of a more holistic assessment. Insurance is designed to provide financial security by covering substantial, often unpredictable losses. Just because a policyholder (or a high proportion of policyholders) do(es) not make a claim for a period does not mean that the product lacks value. In fact, the pay-out of claims depends on whether the insured event takes place and on the severity of the event – which in return depends on several external factors. For example, events where accumulated risks materialise such as torrential rains or storms, may cause a very high claims ratio, whereas the	Comment noted. Please see IAIS response G.

#	Respondent	Comment	Resolution of comment
		claims ratio would be different in a year without such events. A lower claims ratio can sometimes indicate proactive risk mitigation efforts and preventive actions by insurers, such as conducting regular health checks. This prevention-focused approach can lead to better outcomes and safer behaviours, naturally lowering the claims ratio without reducing the insurance policy's value. At the same time, the premium collection is influenced by external economic factors like employment rates, household wealth, and taxation policies; this means that claims ratios can vary due to these broader factors that are outside insurers' remit. Also, the claims ratio does not account for customer satisfaction or experience with the insurance product, for example in relation to the claims settlement, the coverage chosen, the communication with the insurer/distributor and in-kind services (e.g. psychological support, taxi ride, or car repair services), etc. On the other side, an unusually high claims ratio could indicate adverse selection and/or moral hazard, where those at higher risk are more likely to purchase insurance. Over time, adverse selection can threaten the sustainability of the insurance model, leading to higher premiums that undermine affordability and accessibility. Practical examples: Natural catastrophe (Nat Cat) insurance: policyholders may go years without filing claims, yet when a disaster arrives, the amount and value of claims would increase significantly, providing the necessary protection to policyholders. Liability insurance are long-term products by nature which would make it difficult, if not impossible, to calculate a meaningful claims ratio. The long-term safety net is the fundamental purpose of insurance, rather than ensuring continuous payouts. Motor insurance: if fewer car accidents occur in each period (e.g. during the COVID lockdown), the claims ratio for motor insurance would naturally decline. This is due to external factors and does not mean that the product has no value.	

#	Respondent	Comment	Resolution of comment
		Fire insurance is less likely to occur than water leak damage thus meaning that claims ratio is lower. However, fire insurance is more likely to prevent customers from ruin. In light of these considerations, France Assureurs recommends that this section explicitly acknowledge the need for adopting a holistic and multidimensional approach to assess insurance products value, in which claims ratios are used, where appropriate, only as one indicator among a broader set of quantitative and qualitative metrics. Such an approach should include indicators related to claims handling quality, customer satisfaction, complaints, dispute resolution outcomes, service levels and overall customer experience, as well as behavioural insights into how consumers perceive and evaluate insurance products in practice. More generally, any supervisory framework aimed at assessing value for money must reflect the complex, subjective and context-dependent nature of value in insurance and avoid an excessive reliance on simplified or single-dimensional metrics.	
290	The Geneva Association	Low claims ratios may be useful as screening indicators in certain narrow contexts, particularly where claims experience is expected to be relatively stable and there are reasons to suspect poor product design, overpricing or harmful add-on products. In particular, persistently ultra-low claims ratios in products with limited claims volatility may warrant closer supervisory review, including how the product is designed, priced, marketed and distributed, and what economic benefit customers receive. They should not, however, be treated as general proxies for customer value across insurance markets. Conversely, high claims ratios should not automatically be treated as evidence of good customer value. Persistently high claims ratios may undermine insurer profitability and, over time, affect claims-paying capacity, product innovation, market competition, availability and affordability. A sustainable level of profitability can therefore also be relevant to long-term customer outcomes. Claims ratios vary for legitimate reasons, including the frequency and severity profile of the insured peril, the maturity of the book, policy design, service and acquisition costs, and whether the protected event actually occurs.	Comment noted. Please see IAIS response G.
291	Insurance Europe	Claims ratio (claims paid on premiums collected) is an indicator that should be used with caution, as part of a more holistic assessment. Insurance is designed to provide financial security by covering substantial, often unpredictable losses. Just because a policyholder (or a high proportion of policyholders) do(es) not make a claim for a period of time does not mean that the product lacks value. In fact, the pay-out of claims depends on whether the insured event takes place and on the severity of	Comment noted. Please see IAIS response G.

#	Respondent	Comment	Resolution of comment
		the event – which in return depends on a number of external factors. For example, events where accumulated risks materialise such as torrential rains or storms, may cause a very high claims ratio, whereas the claims ratio would be different in a year without such events. A lower claims ratio can sometimes indicate proactive risk mitigation efforts and preventive actions by insurers, such as conducting regular health checks. This prevention-focused approach can lead to better outcomes and safer behaviours, naturally lowering the claims ratio without reducing the insurance policy's value. At the same time, the premium collection is influenced by external economic factors like employment rates, household wealth, and taxation policies; this means that claims ratios can vary due to these broader factors that are outside insurers' remit. Also, the claims ratio does not account for customer satisfaction or experience with the insurance product, for example in relation to the claims settlement, the coverage chosen, the communication with the insurer/distributor and in-kind services (e.g. psychological support, taxi ride, or car repair services), etc. On the other side, an unusually high claims ratio could indicate adverse selection and/or moral hazard, where those at higher risk are more likely to purchase insurance. Over time, adverse selection can threaten the sustainability of the insurance model, leading to higher premiums that undermine affordability and accessibility. Practical examples: a) Natural catastrophe (Nat Cat) insurance: policyholders may go years without filing claims, yet when a disaster arrives, the amount and value of claims would increase significantly, providing the necessary protection to policyholders. b) Liability insurance are long-term products by nature which would make it difficult, if not impossible, to calculate a meaningful claims ratio. The long-term safety net is the fundamental purpose of insurance, rather than ensuring continuous payouts.	

#	Respondent	Comment	Resolution of comment
		c) Motor insurance: if fewer car accidents occur in a given period (e.g. during the COVID lockdown), the claims ratio for motor insurance would naturally decline. This is due to external factors and does not mean that the product has no value. d) Fire insurance is less likely to occur than water leak damage, thus meaning that claims ratio can be lower. However, when fire occurs, this type of insurance can provide essential protection and support to consumers.	
292	Global Federation of Insurance Associations (GFIA)	Fire insurance is less likely to occur than water leak damage thus meaning that claims ratio may be lower. However, fire insurance is more likely to protect customers from ruin. The examples cited illustrate value concerns where persistently low claims ratios are coupled with restrictive terms, poor distribution practices, or administrative inadequacies. Claims ratios should generally be interpreted in context, as they may be influenced by product design, coverage scope, and target market. As such, they are most informative when considered alongside other factors, rather than as standalone measures of value. In Paragraph 73, reference should be made to adequate observation periods, since some insurance is a long-term business.	Comment noted.
293	International Actuarial Association (IAA)	A focus on low claims ratios may overlook two areas where they can be misleading. These include: · Policies where the primary benefit from the product is the service level associated with the product. This is mentioned earlier in our comments with regard to the Executive Summary. Such valuable services (that can lead to high expense ratios but low claims ratios) can include loss control and inspection services, and litigation defense services. · Policies that cover very infrequent but very large claim events, in particular a coverage focusing on major disasters such as earthquakes and wildfires. For such policies, the value does not come from a high claims ratio for most years, but from a high degree of capital backing the policy (such that the insurer can actually pay the resulting claims without going insolvent).	Comment noted.
294	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. Claims ratios can provide useful quantitative insights when assessing insurance products; however, their significant methodological limitations, particularly for risk insurance products, should be clearly acknowledged. They should not be interpreted in isolation, but considered as part of a broader and holistic assessment taking into account the overall protection, guarantees,	Comment noted.

#	Respondent	Comment	Resolution of comment
		services and benefits delivered to policyholders. Claims ratio (claims paid on premiums collected) is an indicator that should be used with caution, as part of a more holistic assessment. Insurance is designed to provide financial security by covering substantial, often unpredictable losses. Just because a policyholder (or a high proportion of policyholders) do(es) not make a claim for a period does not mean that the product lacks value. In fact, the pay-out of claims depends on whether the insured event takes place and on the severity of the event – which in return depends on several external factors. For example, events where accumulated risks materialise such as torrential rains or storms, may cause a very high claims ratio, whereas the claims ratio would be different in a year without such events. A lower claims ratio can sometimes indicate proactive risk mitigation efforts and preventive actions by insurers, such as conducting regular health checks. This prevention-focused approach can lead to better outcomes and safer behaviours, naturally lowering the claims ratio without reducing the insurance policy's value. At the same time, the premium collection is influenced by external economic factors like employment rates, household wealth, and taxation policies; this means that claims ratios can vary due to these broader factors that are outside insurers' remit. Also, the claims ratio does not account for customer satisfaction or experience with the insurance product, for example in relation to the claims settlement, the coverage chosen, the communication with the insurer/distributor and in-kind services (e.g. psychological support, taxi ride, or car repair services), etc. On the other side, an unusually high claims ratio could indicate adverse selection and/or moral hazard, where those at higher risk are more likely to purchase insurance. Over time, adverse selection can threaten the sustainability of the insurance model, leading to higher premiums that undermine affordability and accessibility. Practical examples: - Natural catastrophe (Nat Cat) insurance: policyholders may go years without filing claims, yet when	

#	Respondent	Comment	Resolution of comment
		a disaster arrives, the amount and value of claims would increase significantly, providing the necessary protection to policyholders. - Liability insurance are long-term products by nature which would make it difficult, if not impossible, to calculate a meaningful claims ratio. The long-term safety net is the fundamental purpose of insurance, rather than ensuring continuous payouts. - Motor insurance: if fewer car accidents occur in each period (e.g. during the COVID lockdown), the claims ratio for motor insurance would naturally decline. This is due to external factors and does not mean that the product has no value. - Fire insurance is less likely to occur than water leak damage thus meaning that claims ratio is lower. However, fire insurance is more likely to prevent customers from ruin.	
295	American Council of Life Insurers (ACLI)	Supervisory indicators can be useful as risk-screening tools, but they should not operate as mechanical thresholds or presumptions of poor value. Any intervention should be grounded in evidence of actual or reasonably likely consumer harm and should account for the product's full value proposition.	Comment noted.
Comments on section 6.3 Other claims handling indicators			
296	National Insurance Commission, Abuja Nigeria	This section offers insight into claims administration of insurance institutions.	Comment noted.
297	Allianz SE	Allianz supports the use of claims handling times, acceptance rates, complaint data and root-cause analysis as indicators of customer value delivery.	Comment noted.
298	The Life Insurance Association of Japan	Because a certain level of claim rejections is necessary to address fraudulent claims and moral hazard in order to maintain sustainability of the insurance system and fairness of the policyholder pool, a higher number of claims rejected does not necessarily mean low value. However, the number of cases where claims or benefits that should have been paid under the policy terms were not properly paid — due to overlooked payments or insufficient guidance on claims procedures — could serve as an important indicator from the perspective of ensuring customer value and policyholder protection.	Comment noted. Please see IAIS response G and edits made in section 6.3 text where more elaboration is now given to "failure to make a proper payment under the terms of the relevant policy" and that

#	Respondent	Comment	Resolution of comment
		As such, it would be more appropriate to refer to “the number of failures in paying out claims” rather than “the number of claims rejected.”	claims may be denied for good reason.
299	APCIA	Care should be applied to the interpretation of raw claims data. Differences in product design, complexity, and target markets can influence claims outcomes and indicators. In addition, we are seeing more AI-informed or generated claims and complaints that are not legitimate. Claims denials may reflect contractual terms or fraud prevention rather than necessarily reflecting poor product value.	Comment noted. Edits have been made in section 6.3.
300	Conference of European Bancassurers (CEB)	The CEB welcomes the inclusion of this section and considers that it moves in the right direction by recognising that claims handling indicators beyond simple claims ratios are essential to assessing the value delivered to customers. However, the CEB believes that the section should place significantly stronger emphasis on the critical importance of service-related dimensions, in particular those linked to the timeliness, efficiency, simplicity and overall quality of claims management. In this respect, it is important to underline that undue delays in claims processing invariably result in a reduction of the value perceived by customers, regardless of the level of coverage or the price of the product. The timeliness of claims settlement is not merely an operational aspect, but a core determinant of consumer experience, particularly in situations where policyholders may be facing financial or personal distress. Delays, lack of clarity or unnecessary complexity in the claims process can therefore directly undermine trust, satisfaction and the perceived usefulness of insurance, even in cases where claims are ultimately paid in full. More broadly, the CEB emphasizes that service-related indicators—such as claims processing times, dispute rates, complaint levels, transparency of communication and ease of customer interaction—have a significantly greater impact on consumer perception and behaviour than is currently reflected in the document. As consistently highlighted in previous sections, the moment of truth for insurance is the claims experience, and it is at this stage that policyholders form their most tangible and lasting assessment of value. Consequently, the quality of claims handling has a direct and measurable influence on trust in the insurance sector and on the willingness of consumers to purchase or renew insurance products. In this context, the CEB considers that the document should more clearly recognize that from a supervisory perspective, the monitoring and evaluation of claims handling performance is of paramount importance, potentially more so than many of the product features or cost metrics that are currently emphasized. Indicators related to claims handling are not only more closely aligned with actual consumer experience, but also provide actionable insights into the effectiveness of insurers’ processes,	Comment noted. Please see IAIS responses G and M, and edits made in section 6.3.

#	Respondent	Comment	Resolution of comment
		governance arrangements and customer-centric culture. The CEB also reiterates that claims handling should be assessed within a broader framework that includes the availability and effectiveness of complaint resolution and dispute settlement mechanisms, which are essential to ensuring that customers have access to fair and timely redress. A well-functioning ecosystem of internal and external dispute resolution contributes significantly to reinforcing confidence in the insurance system as a whole, and should therefore be considered an integral component of value. At the same time, the CEB recalls that these indicators should be interpreted within a holistic and proportionate framework, taking into account the diversity of products, claims types and jurisdictions. While delays and inefficiencies should be properly identified and addressed, supervisory approaches should avoid overly rigid benchmarks and instead focus on outcomes, consistency and continuous improvement, allowing for flexibility where justified by the characteristics of specific products or claims. In light of the above, the CEB recommends that Section 6.3 be strengthened to more clearly reflect the central role of claims handling performance—particularly processing times—in shaping consumer perception of value, and to emphasise that, from a supervisory perspective, the assessment of service quality in claims management is a key determinant of trust, consumer satisfaction and the overall effectiveness of insurance markets.	
301	France Assureurs	France Assureurs acknowledges the central role of claims handling performance in shaping consumer perception of value and, from a supervisory perspective, in assessing the service quality in claims management. However, claims handling indicators should be used with caution and as part of a more holistic assessment, since not all claim denials are indicative of poor value or bad product design. For example, claims may be denied due to non-compliance with the terms of the contract (e.g. claims' submission deadline), non-disclosure of relevant information by the policyholders or fraudulent activities. Equally, the time which is necessary to process a claim is highly individual and is subject to many external factors on which the insurer has no influence (i.e. complex subject matter, such as a physical injury; a medical or technical opinion by a third party expert; a lawsuit which is decisive for the claim; availability of materials, experts, craftsmen). This is especially visible in cases where masses of claims are caused by the same event at the same time, such as in cases of a storm or torrential rain. Similar concerns apply to the use as an indicator of the number of consumer complaints.	Comment noted. Please see IAIS response G.

#	Respondent	Comment	Resolution of comment
		Supervisory approaches should avoid overly rigid benchmarks and focus on outcomes and continuous improvement, allowing for flexibility where justified by the characteristics of specific products or claims.	
302	The Geneva Association	Claims handling indicators can provide useful signals where they are interpreted contextually and alongside qualitative supervisory judgement. For example, claim rejection rates, withdrawal rates, payout ratios, complaint trends and claims-settlement times may help identify products, channels or customer segments that warrant closer review. Where legally permissible and based on reliable data, supervisors and insurers may also consider whether such indicators reveal materially different outcomes for customers in vulnerable circumstances. However, these metrics should be used as risk indicators for further analysis, not as automatic triggers or standalone evidence of poor value. Any assessment should take account of product type, claims frequency and severity, distribution model, customer segment, data limitations and the reasons for rejected or withdrawn claims.	Comment noted. Please see IAIS response G.
303	Insurance Europe	Claims handling indicators should be used with caution and as part of a more holistic assessment, since not all claim denials are indicative of poor value or bad product design. For example, claims may be denied due to non-compliance with the terms of the contract (e.g. claims' submission deadline), non-disclosure of relevant information by the policyholders or fraudulent activities. Equally, the time which is necessary to process a claim is highly individual and is subject to many external factors on which the insurer has no influence (i.e. complex subject matter, such as a physical injury; a medical or technical opinion by a third party expert; a lawsuit which is decisive for the claim; availability of materials, experts, craftsmen). This is especially visible in cases where masses of claims are caused by the same event at the same time, such as in cases of a storm or torrential rain. Similar concerns apply to the use as an indicator of the number of consumer complaints.	Comment noted. Please see IAIS response G.
304	Global Federation of Insurance Associations (GFIA)	Care should be applied to the interpretation of raw claims data. Differences in product design, complexity, and target markets can influence claims outcomes and indicators. Bring. In addition, we are seeing more AI-informed or generated claims and complaints that are not legitimate. Claims denials may reflect contractual terms or fraud prevention rather than necessarily reflecting poor product value.	Comment noted.
305	CNP Assurances	CNP Assurances supports the response submitted by France Assureurs on this section and refers to the comments set out therein. While claims handling performance and claims ratios are important indicators when assessing consumer value, their methodological limitations, particularly in risk insurance, should be clearly recognised. They should therefore be considered as part of a broader and	Comment noted. Please see IAIS response G.

#	Respondent	Comment	Resolution of comment
		contextualised assessment of the overall value delivered to policyholders rather than as standalone measures. Claims handling indicators should be used with caution and as part of a more holistic assessment, since not all claim denials are indicative of poor value or bad product design. For example, claims may be denied due to non-compliance with the terms of the contract (e.g. claims' submission deadline), non-disclosure of relevant information by the policyholders or fraudulent activities. Equally, the time which is necessary to process a claim is highly individual and is subject to many external factors on which the insurer has no influence (i.e. complex subject matter, such as a physical injury; a medical or technical opinion by a third party expert; a lawsuit which is decisive for the claim; availability of materials, experts, craftsmen). This is especially visible in cases where masses of claims are caused by the same event at the same time, such as in cases of a storm or torrential rain. Similar concerns apply to the use as an indicator of the number of consumer complaints.	
Comments on section 6.4 Investment return compared to profit			
306	National Insurance Commission, Abuja Nigeria	I will study it.	Comment noted.
307	Allianz SE	Allianz agrees that investment performance and costs must be assessed together when assessing the value of investment-based insurance products (IBIPs). However, in addition to performance, other product characteristics are equally important when assessing values of IBIPs for the customer, e.g. quality of investments and access to alternative assets, guarantees, lifetime annuity options, or sustainability considerations. With their highly efficient stabilization of savings processes, IBIPs offer great value particularly for retirement planning with a long-term investment cycle. A comparison based solely on performance and costs is insufficient, particularly for retirement provision products where the security of the investment and lifetime payments covering the longevity risk are frequently a central element.	Comment noted. Subsection 6.4 has been revised. Please see IAIS response G.

#	Respondent	Comment	Resolution of comment
		Company profit is significantly shaped by, among other factors, corporate governance, corporate structure, company size, and economies of scale. The direct comparison between performance and (company) profit suggested in the Draft Issues Paper is therefore misleading. Indeed, companies operating at a loss and without any profit might charge particularly high product costs in order to compensate for an inefficient corporate structure. In a comparison of product performance and company profit, these products would appear to perform well. Usually, companies which offer attractive products with high value for money are also entrepreneurially successful. Allianz sees value in monitoring investment products against benchmarks and customer objectives, with corrective action where underperformance is identified. Reduction in yield (RIY) is a suitable indicator for costs which has proven effective in practice . It enables a transparent comparison of product costs even for products with different recommended holding periods and charging structures.	
308	Institute of International Finance (IIF)	For investment-based products, we caution against over-reliance on the comparison of policyholder returns to insurer profit (Section 6.4). An assessment of investment-based insurance products must account for the full value proposition of such products, which for many policyholders – particularly those saving for retirement – extends beyond investment performance and costs to encompass guarantees, lifetime annuity options, access to a range of underlying investments, and the management of longevity risk. Benchmarking frameworks that compare investment-based products against pure asset management offerings, equity indices, or inflation measures are therefore unlikely to capture this broader value proposition, and aggregate profit figures are a limited basis for product-level assessment. Where jurisdictions choose to develop such frameworks, we encourage the IAIS to recommend approaches that are product-type specific, risk-adjusted, and developed in close consultation with the industry. More broadly, we support outcomes-focused governance assessment as a proportionate alternative to prescriptive product or pricing mandates, and encourage supervisors to leverage existing internal audit and board oversight structures wherever possible rather than creating duplicative reporting requirements.	Comment noted. Subsection 6.4 has been revised. Please see IAIS response G.
309	Conference of European Bancassurers (CEB)	The CEB considers that this section would benefit from a more nuanced and conceptually accurate treatment of insurance-based investment products, in particular by clearly recognizing their distinct nature compared to pure investment products. While the comparison between investment returns and insurer profits may offer certain insights in a narrowly defined context, it risks being misleading if it does not properly reflect the structural specificities of insurance-based products, especially those that	Comment noted. Subsection 6.4 has been revised. Please see IAIS response G.

#	Respondent	Comment	Resolution of comment
		incorporate biometric risk coverage and broader protection components. In this respect, the CEB emphasizes that insurance-based investment products (IBIPs) differ fundamentally from pure financial investment products, as they combine investment performance with risk protection features, including coverage against biometric risks such as mortality, longevity, disability or other life events. These protection elements are not ancillary but constitute an integral part of the value proposition delivered to customers and therefore cannot be isolated from the overall assessment of value for money. In our view, evaluating these products through methodologies designed for pure investment products risks overlooking key dimensions of value, including guarantees, protection and integrated financial planning services. In this context, the CEB reiterates that biometric risk premiums should not be treated as mere costs, but rather as the financial expression of the protection embedded within these products. Consequently, comparisons based solely on net returns or cost indicators, without properly accounting for the risk coverage and guarantees provided, may lead to incomplete or biased conclusions, suggesting lower value where, in reality, customers benefit from a broader and more comprehensive product offering. Furthermore, the CEB notes that the comparison between investment returns and insurer profits may fail to capture the economic reality of how insurance products are structured and delivered, particularly in distribution models where advice, customer support and ongoing servicing are embedded within the product. As outlined in the aforementioned position paper, differences in cost structures across products and distribution models—especially between insurance-based products and investment funds—can lead to non-comparable outcomes, as some costs (e.g. advice or distribution) may be explicitly charged in one model and embedded within the product in another. Moreover, the CEB considers that the analytical approach of contrasting returns with profits may not adequately reflect the long-term nature and objectives of insurance-based investment products, which are often designed to support retirement planning and long-term financial security. In particular, products incorporating biometric coverage contribute to reducing protection gaps in retirement, by combining savings accumulation with insurance against adverse life events. This dual function—investment and protection—should be explicitly recognized as a key element of value, rather than being neutralized or overlooked in simplified comparative metrics. The CEB also recalls that value for money assessments in this domain should follow the broader principle, consistently highlighted throughout the consultation, of adopting a holistic and multidimensional approach, combining both quantitative and qualitative elements. Indicators based	

#	Respondent	Comment	Resolution of comment
		solely on financial performance or profitability do not capture the full spectrum of benefits delivered to customers, including risk coverage, guarantees, service quality, advice and long-term support. Finally, the CEB emphasizes that supervisory assessments in this area should be carefully calibrated and evidence-based, ensuring that methodologies do not inadvertently create distortions between different product types or distribution models, nor discourage the provision of integrated financial solutions that combine protection and investment. A balanced approach is essential to preserve product diversity, innovation and consumer choice, while ensuring that all relevant dimensions of value are appropriately recognized. In light of the above, the CEB recommends that this section be refined to more clearly acknowledge the specific characteristics of insurance-based investment products, to avoid simplified comparisons with pure investment products, and to ensure that any assessment of value fully reflects the combined investment and protection components, as well as their contribution to long-term financial security and the reduction of protection gaps.	
310	France Assureurs	Investment products offer value when they are suitable for the purpose for which they are sold and aligned with the needs and objectives of its target market. This is not the case, if the costs charged make the product unsuitable for its purpose. Evaluating insurance investment products through the lens of "investment return" is misguided. When assessing the overall benefits offered to consumers by the product, it is important to take into consideration benefits that go beyond the pure investment returns and include for example the existence and level of guarantees, insurance coverage, level of risk, sustainability features, advice and other services.	Comment noted.
311	The Geneva Association	Evaluating insurance products—including “investment-based” insurance products—through the lens of "investment return" is misguided. Other features, such as the product type, the level of risk, the guarantees, the sustainability features and the biometric risk coverage, could also have an impact on the value of an investment-based insurance product Even if the insurance element is disregarded, the evaluation ignores the economic cost of the capital held to ensure the payment of benefits, including financial guarantees. Sustainable profitability is not averse to consumer value; it promotes insurer solvency, which is the ultimate consumer protection.	Comment noted.
312	Insurance Europe	Investment products offer value when they are suitable for the purpose for which they are sold and aligned with the needs and objectives of its target market. This is not the case, if the costs charged make the product unsuitable for its purpose. When assessing the overall benefits offered to consumers by the product, it is important to keep in mind that such benefits go beyond the pure investment returns,	Comment noted. Subsection 6.4 has been revised. Please see IAIS response G.

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		and include for example the existence and level of guarantees, insurance coverage, advice and other services. A suitable indicator for costs which has proven effective in practice is Reduction in Yield (RIY). It enables a transparent comparison of product costs even for products with different recommended holding periods and charging structures.	
313	International Actuarial Association (IAA)	We recommend that the comparison be made to the profit without dividends as follows: ”When appraising the value of investment-based insurance products, the investment return to the customer compared with the profit without dividends made by the issuer is a clear signal of whether the product is providing value to the customer.”	Partially agreed the text has been revised to focus on costs and expenses.
314	CNP Assurances	Investment products offer value when they are suitable for the purpose for which they are sold and aligned with the needs and objectives of its target market. This is not the case, if the costs charged make the product unsuitable for its purpose. Evaluating insurance investment products through the lens of "investment return" is misguided. When assessing the overall benefits offered to consumers by the product, it is important to take into consideration benefits that go beyond the pure investment returns and include for example the existence and level of guarantees, insurance coverage, level of risk, sustainability features, advice and other services.	Comment noted.
315	American Council of Life Insurers (ACLI)	ACLI emphasizes that while comparing investment returns to issuer profits may provide one perspective, it is not, on its own, a comprehensive or appropriate measure of the value delivered by investment based insurance products. These products are designed to provide a combination of benefits. These benefits include but are not limited to downside protection, minimum guarantees, riders designed to suit individuals’ specific needs, income stability, and capital management. Surrender charges influence consumer behavior differently than an investment account, improving discipline in retirement savings and investments for self-funded retirement plans. All of these features influence investment behavior differently compared to a savings account or an easily accessible brokerage. A more holistic assessment of value should therefore take into account the full range of product features, including downside protection, longevity risk mitigation, principal guarantees, and the insurer’s assumption of risks that would otherwise be borne by consumers. For example, products such as annuities and RILAs are specifically structured to help consumers manage market volatility and longevity risk, which may necessarily affect the distribution of returns relative to traditional investment products.	Comment noted. Subsection 6.4 has been revised. Please see IAIS response G.

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		ACLI agrees that transparency around costs and alignment with product design are important. However, cost considerations should be evaluated in the context of the benefits provided, including guarantees and risk pooling, as well as suitability regulatory frameworks designed to meet individuals' unique needs and risk profile.	
Comments on section 6.5 Undue costs and commissions for pure risk products			
316	National Insurance Commission, Abuja Nigeria	This is effective supervisory approach on this aspect in Nigerian insurance market.	Comment noted.
317	Allianz SE	Allianz strongly supports supervisory focus on undue costs and disproportionate commissions. We uphold the assessment of total distribution costs as part of the fair value assessment and requires corrective action, including product modification or withdrawal, where value is compromised.	Comment noted.
318	The Life Insurance Association of Japan	It would not be appropriate to conclude that the product value is low based solely on high commissions and/or high costs, although these could indicate that they are not commensurate with the quality of the services and products. When it comes to protection-type insurance in particular, it would be important to assess the value in terms of the proportionality between commissions/costs and the quality of the provided services and products, as the value could encompass factors such as support with making claims, customer support during the policy term and various after-sales services. The LIAJ therefore suggests replacing the expressions "high costs" and "high commissions" with "unduly high costs" and "unduly high commissions". It also suggests revising the second sentence of paragraph 76 as follows: "Consistently high costs and/or consistently high commissions can be an indication that they are not commensurate with the quality of the services and products provided".	Comment noted. Subsection 6.5 has been revised. Please see IAIS response G.
319	APCIA	High costs or commissions do not necessarily indicate poor value and should be assessed in context, including the role of advice, service, and distribution as they relate to meaningful benefits, coverage or services.	Comment noted. Subsection 6.5 has been revised. Please see IAIS response G.

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320	Institute of International Finance (IIF)	The same logic applies to the Paper's suggestion in Section 6.5 that consistently high commissions can be an indication of low value for pure risk products. Commission levels are shaped by local market structure, distribution model, the scope of intermediary services, and product complexity, none of which speak directly to whether the product delivers value to the consumer. A higher commission may be entirely consistent with strong value delivery where an intermediary provides meaningful advice, ongoing policy servicing, or customer support, particularly in markets where distribution infrastructure is limited. We recommend that the IAIS caution supervisors against treating elevated commission ratios as a presumptive indicator of low value, and instead encourage holistic assessments that account for the market context, services delivered, and complexity of the product.	Comment noted. Subsection 6.5 has been revised. Please see IAIS response G.
321	General Insurance Association of Japan	Paragraph 76: We suggest adding a point at the beginning of the text indicating that "the costs and fees do not align with the content of the insurance products or services". Additionally, while it states that "consistently high costs and/or consistently high commissions can be an indication of low value", we believe that high costs do not necessarily equate to low value. Rather, it depends on the balance with service quality.	Comment noted. Subsection 6.5 has been revised. Please see IAIS response G.
322	Conference of European Bancassurers (CEB)	The CEB considers that the analysis presented in this section would benefit from a more balanced and context-sensitive assessment of costs and remuneration structures, recognizing the economic role that these elements play in ensuring the effective distribution, servicing and sustainability of insurance products. While the objective of identifying and addressing unjustified costs is fully supported, the CEB emphasizes that the evaluation of such costs must be conducted within a holistic and well-contextualized framework, avoiding simplified interpretations that may not accurately reflect the underlying economic reality. In particular, the CEB reiterates that commissions and distribution costs are not, per se, indicative of reduced value, but rather constitute the remuneration for a set of essential services, including advice, product explanation, ongoing customer support and claims assistance throughout the lifecycle of the contract. Especially in the context of products that require proximity, trust and continuous interaction, these services represent a core component of the value delivered to customers, even if they are not always directly visible through standard quantitative indicators. An assessment that focuses narrowly on cost levels, without considering the corresponding benefits in terms of accessibility, service quality and customer experience, risks providing an incomplete and potentially misleading picture. The CEB also underlines that the analysis of costs and commissions must take into account the specific characteristics of different product types and business models, particularly in the case of pure	Comment noted. Subsection 6.5 has been revised. Please see IAIS response G.

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		risk products. These products are often designed to be accessible to a broad population, including segments with limited financial capacity, and therefore rely on efficient distribution models and pricing structures that ensure affordability. In this context, it is important to avoid applying overly rigid or uniform benchmarks that could inadvertently reduce access to insurance or discourage the provision of certain types of coverage, especially for more vulnerable or less financially engaged consumers. Furthermore, the CEB notes that the interpretation of commission levels expressed as percentages may, in certain cases, lead to misleading conclusions, particularly for products with low absolute premium amounts. In such situations, distribution costs may represent a relatively high proportion of the premium in percentage terms, while remaining modest in absolute terms, reflecting the operational and servicing requirements associated with the product. An accurate assessment should therefore consider both relative and absolute values, as well as the broader context in which the product is distributed. In addition, the CEB highlights that an analysis conducted at the level of individual products may not fully capture the economic logic of insurance operations, which are based on principles of risk pooling and mutualization not only within individual products, but also across product lines, business segments and the overall portfolio of the insurer. As a result, cost and pricing structures may reflect cross-subsidization mechanisms that contribute to ensuring the availability and affordability of certain types of coverage. Evaluations that do not take into account this broader perspective risk drawing incomplete or inaccurate conclusions regarding the appropriateness of costs. At the same time, the CEB reiterates that any supervisory approach in this area should be proportionate, evidence-based and aligned with the overall objective of enhancing consumer outcomes without creating unintended adverse effects. Interventions that focus excessively on cost components, without considering the full value chain and the services provided, risk distorting incentives, reducing the quality of distribution and ultimately weakening the effectiveness of insurance as a tool for risk protection. In light of the above, the CEB recommends that this section be refined to reflect a more comprehensive and balanced understanding of costs and commissions, recognizing their role in enabling access, service and protection, and emphasizing that transparency and informed consumer choice constitute the most appropriate and effective means of addressing potential concerns in this area.	
323	France Assureurs	France Assureurs considers that the analysis presented in this section would benefit from a more balanced and context-sensitive assessment of costs and remuneration structures, recognizing the	Comment noted. Subsection 6.5 has been revised.

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		economic role that these elements play in ensuring the effective distribution, servicing and sustainability of insurance products. "Undue" and "high" are not the same concept, and the statement that "consistently high costs and/or consistently high commissions can be an indication of low value" is not accurate, since: High costs can be justified if they are linked to meaningful coverage, advice or other services. Conversely, lower costs may be associated with lower quality, more limited protection or reduced levels of service and assistance. Therefore, what is important is that the product meets the consumers' demands and needs with a level of cost that is proportionate to the overall benefits. This is particularly relevant where certain target markets are willing to pay more for products that are tailored to their specific needs and that provide additional coverage, services or support. See further comments on CPI in section 4.3 and commissions in section 4.4. Commissions and distribution costs are not indicative of reduced value. They constitute the remuneration for a set of essential services, including advice, product explanation, ongoing customer support and claims assistance throughout the lifecycle of the contract. An assessment that focuses narrowly on cost levels, without considering the corresponding benefits in terms of accessibility, service quality and customer experience, risks providing an incomplete and potentially misleading picture. Furthermore, the interpretation of commission levels expressed as percentages may, in certain cases, lead to misleading conclusions, particularly for products with low absolute premium amounts. In such situations, distribution costs may represent a relatively high proportion of the premium in percentage terms, while remaining modest in absolute terms, reflecting the operational and servicing requirements associated with the product. An accurate assessment should therefore consider both relative and absolute values, as well as the broader context in which the product is distributed. High costs or commissions do not necessarily indicate poor value if they correspond to meaningful benefits, coverage or services.	Please see IAIS response G.
324	The Geneva Association	We agree that undue costs and commissions may, in some circumstances, materially reduce the value received by customers, particularly for pure risk products and low-premium products where fixed	Comment noted. Subsection 6.5 has been revised.

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		acquisition, administration and servicing costs can represent a significant share of the premium. However, the paper should distinguish clearly between costs that are undue or poorly governed and costs that are legitimate components of an actuarially sound insurance product, including distribution, administration, claims handling, risk capital and operational resilience costs. This distinction is important because a simple comparison between premium and expected claims may give an incomplete picture of value. In some cases, low-premium products may raise legitimate supervisory concerns, especially where high costs interact with narrow coverage, poorly explained exclusions, pressure-selling or claims practices that make it difficult for customers to receive the protection they reasonably expected. Such cases should be addressed through product governance, target-market assessment, disclosure, suitability and conduct supervision. At the same time, supervisors should avoid treating the existence of expenses, commissions or profit margins as evidence of low value in themselves. All commercial products include costs and margins, and insurance is no exception. The appropriate supervisory focus should be on whether the product is transparent, fairly designed, appropriately distributed, aligned with the needs of the intended target market and supported by fair claims handling.	Please see IAIS response G.
325	Insurance Europe	"Undue" and "high" are not the same concept, and the statement that "consistently high costs and/or consistently high commissions can be an indication of low value" is not accurate, since: a) High costs do not necessarily indicate poor value if they are linked to meaningful coverage, benefits, advice or other services. b) Conversely, lower costs may be associated with lower quality, more limited protection or reduced levels of service and assistance. Therefore, what is important is that the product meets the consumers' demands and needs with a level of cost that is proportionate to the overall benefits. This is particularly relevant where certain target markets are willing to pay more for products that are tailored to their specific needs and that provide additional coverage, services or support. See further comments on CPI in section 4.3 and commissions in section 4.4.	Comment noted. Subsection 6.5 has been revised. Please see IAIS response G.

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326	Global Federation of Insurance Associations (GFIA)	High costs or commissions do not necessarily indicate poor value and should be assessed in context, including the role of advice, service, and distribution as they relate to meaningful benefits, coverage or services.	Comment noted.
327	CNP Assurances	CNP Assurances considers that the analysis presented in this section would benefit from a more balanced and context-sensitive assessment of costs and remuneration structures. Costs and remuneration play an important role in ensuring the effective distribution, servicing and long-term sustainability of insurance-based savings and retirement products. They support access to advice, customer support and other services that contribute to the overall value delivered to policyholders. Consequently, the assessment of value should not focus solely on costs, but take into account the broader benefits provided to consumers, including guarantees, protection features, advice and long-term customer outcomes. “Undue” and “high” are not the same concept, and the statement that “consistently high costs and/or consistently high commissions can be an indication of low value” is not accurate, since: -High costs can be justified if they are linked to meaningful coverage, advice or other services. -Conversely, lower costs may be associated with lower quality, more limited protection or reduced levels of service and assistance. Therefore, what is important is that the product meets the consumers’ demands and needs with a level of cost that is proportionate to the overall benefits. This is particularly relevant where certain target markets are willing to pay more for products that are tailored to their specific needs and that provide additional coverage, services or support. See further comments on CPI in section 4.3 and commissions in section 4.4. High costs or commissions do not necessarily indicate poor value if they correspond to meaningful benefits, coverage or services.	Comment noted. Subsection 6.5 has been revised. Please see IAIS response G.
328	American Council of Life Insurers (ACLI)	ACLI recognizes that costs, charges, and compensation structures may be relevant considerations in assessing customer outcomes. At the same time, distribution, administration, advice, claims handling, operational resilience, capital requirements, and service quality are important components of the value provided by insurance products. As a result, these factors are most appropriately evaluated in the	Comment noted. Subsection 6.5 has been revised. Please see IAIS response G.

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		context of the product's overall design, objectives, and benefits to consumers, rather than through any single metric in isolation.	
Comments on section 7 Conclusion			
329	National Insurance Commission, Abuja Nigeria	The responsibility of ensuring insurance product delivers on its purpose to the insuring public rests on the shoulder of the supervisor, and regulatory tools should be developed to achieve this important objective. There should be supervisory approach to address consumer challenges and other market conduct issues/practices, so as to ensure easy access to insurance product that meets their expectation.	Comment noted.
330	Allianz SE	Allianz welcomes the IAIS Issues Paper, which reflects its existing global best practices and governance framework. We support further supervisory work that strengthens product lifecycle governance, fair value assessments and accountability for customer outcomes.	Comment noted.
331	The Life Insurance Association of Japan	In terms of the value customers receive from the insurance product, the LIAJ supports the idea of ensuring customer value throughout the product lifecycle, from the design process to sales and policy administration, rather than placing the full responsibility on customers themselves to determine the value. Meanwhile, the value of insurance is multifaceted in nature and varies depending on individual circumstances. Also, different jurisdictions have different frameworks in place for product governance, regulations on conduct of business and policyholder protection, which vary in content and approach. Therefore, it would be important that the framework is principle-based, flexible and proportionate, sufficiently taking into consideration the regulatory frameworks and market conditions in each jurisdiction, while basing itself only on cases where there is a clear problem, such as poor governance, insufficient transparency, or inappropriate practices. In addition, supervisors should ensure that their approaches take the following three factors into comprehensive consideration: (i) product design, (ii) sales and governance, and (iii) customer	Comment noted, see IAIS response G.

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		understanding and education. It would not be appropriate to place too much emphasis on any single factor.	
332	Conference of European Bancassurers (CEB)	The CEB broadly agrees with the general direction and objectives of the Issues Paper and appreciates the effort to provide a global overview of the concept of value for money in insurance. However, the CEB considers that the overall conclusions do not sufficiently reflect a fundamental and well-established reality, namely that, in general terms, insurance products deliver an adequate and meaningful value for money across markets worldwide, both from an individual protection perspective and from a broader societal and economic standpoint. While the document rightly identifies certain situations where value may be questioned, the CEB is concerned that the analysis tends to conflate distinct categories of issues, notably by presenting together cases of lower perceived value and situations that correspond to clear instances of fraud, misconduct, or breach of contractual obligations. These are fundamentally different phenomena that require different responses. Situations involving fraud or non-compliance should be addressed through supervisory enforcement, legal frameworks and judicial remedies, rather than being interpreted as indicative of structural shortcomings in the value delivered by insurance products. This lack of distinction risks distorting the assessment of the overall performance of insurance markets. Furthermore, the CEB considers it important to underline that, irrespective of the methodology or metrics applied, the instances of value-for-money concerns highlighted in the document represent exceptional, limited and non-systemic situations when assessed against the scale of global insurance activity. Whether measured by the number of customers affected or by the volume of premiums concerned, such cases remain marginal in comparison with the vast majority of insurance contracts, which function as intended and deliver the expected protection and service to policyholders. The absence of this broader contextualisation in the conclusions may inadvertently lead to overgeneralisation and an unbalanced perception of the sector. In addition, the CEB is concerned that the overall tone and framing of the document, particularly as reflected in the conclusions, could have unintended negative consequences for consumer confidence and market stability. Insurance is fundamentally based on trust, and public communications that appear to question, in a generalised manner, the value delivered by insurance products may be misinterpreted by consumers as an indication of systemic shortcomings, potentially discouraging them from purchasing coverage. This would be contrary to the shared objective of enhancing consumer protection and reducing protection gaps, and could ultimately weaken financial resilience at both individual and	See IAIS response M on overall tone and balance of the paper. The reference to “transparency measures” has been removed from the conclusion.

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		societal levels. In this context, the CEB encourages the IAIS to revisit the overall positioning of the document, including its concluding section, in order to provide a more balanced and confidence-enhancing narrative. This should include a clearer acknowledgement that, while areas for improvement exist—as in any sector—the insurance industry, as a whole, consistently provides significant and appropriate value to policyholders, both through the protection it offers and through the services delivered over the lifecycle of products, particularly at the claims stage. Finally, the CEB reiterates that any assessment of value for money should remain proportionate, evidence-based and context-sensitive, and should avoid drawing general conclusions from isolated or exceptional cases. A revised conclusion that better distinguishes between structural features, isolated misconduct and systemic issues would contribute to a more accurate representation of insurance markets and support the development of targeted and effective supervisory responses, while at the same time preserving and strengthening consumer trust in insurance. In light of the above, the CEB recommends that Section 7 be revised to more explicitly recognize the overall positive performance of insurance markets in delivering value, to differentiate clearly between types of issues identified, and to ensure that the conclusions contribute to a balanced, proportionate and confidence-supporting message, fully aligned with the broader objective of promoting insurance uptake and financial resilience.	
333	France Assureurs	France Assureurs appreciate the recognition that a variety of supervisory approaches are possible to monitor and address product value, reflecting the diverse regulatory landscapes and market conditions across jurisdictions. Different factors can be considered to increase or diminish the value offered by insurance products, and the examples made by the Paper should be presented as non-exhaustive. However, we recommend a more balanced tone on bundled or tied sales, which should not be presented as inherently problematic. In this respect, the reference in paragraph 79 could be deleted or, at least, the wording could be softened into “certain bundled sales”. Paragraph 80 could be expanded to include more example of elements that enhance the value offered by insurance products, see the comments on section 5. Paragraph 82 refers to transparency as a tool that supervisors can use to monitor and assess value.	Comment noted. The suggested addition of “certain” before “bundled sales” is adopted. The reference to “transparency measures” has been removed from the conclusion. See IAIS response M on overall tone and balance of the paper.

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		However, this should not be understood as adding consumer facing disclosures. Priority should be given to making sure that consumers receive meaningful and engaging information, that is easy to navigate and does not confuse or unnecessarily alarm them. If benchmarks are developed, they should not be used as a consumer disclosure tool. If presented to the wider public, they would expose product manufacturers to reputational and commercial risks should they fail to meet the benchmarks. This is because the information published could be misused or misinterpreted by the different stakeholders, including competitors, comparison websites, press and journalists, social media and finfluencers, consumers and their representative organisations, and would lead to misleading or simplistic conclusions on what are the “good” or “bad” products on the market. Consumers could be tempted to choose the cheaper option at the top of the list. But this does not necessarily mean better products for their objectives, needs and financial situation. Rather, it would unduly confuse consumers, instead of helping them assess the benefits of insurance products. On a different note, such tools should not lead to more data collection nor additional burden for insurers. For example, in the EU there is already a wide range of data available based on the Package Retail and Insurance-based Investment Products Regulation (PRIIPs) Key Information Documents, which will soon be even more accessible thanks to the European Single Access Point (ESAP), as well as national reporting and Solvency II reporting. Authorities’ goal should be to reduce reporting and administrative burden, not to make it more difficult for insurers to do business and serve consumers. Finally, it is important to stress that the supervisory assessment of value should consider both quantitative and qualitative information. Claims ratios, claims handling, product performance indicators and other metrics can provide useful context, but should not be used as standalone proxies for value. The reference to supervisory tools should be qualified, specifying that such tools should remain proportionate, risk-based and within the supervisory domain. The paper should maintain a balanced tone and avoid generalisations suggesting systemic value issues across insurance markets. Supervisory assessment tools should remain proportionate and	

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		should not be used as public ranking or benchmarking tools for consumers. Priority should be given to meaningful and understandable consumer information rather than increasing disclosures.	
334	GCAF - Groupe des contrôleurs d'assurance francophones	(a) As already noted in Comment on Executive Summary, the claim ratio of a number of insurance products will often be a key factor in assessing their value to policyholders. This feature, which is duly mentioned several times in the draft IP, could also be included in the summary in §80. Thus, the following adjunct: "remuneration for the insurer and intermediaries that, while prudentially adequate, should be moderate enough to allow for a fair return on premiums for policyholders", could be added before the last semi-column. Whole §80 would thus read as follows: "At the same time, there are identifiable characteristics and practices that can enhance the value offered by insurance products. These include: thoughtful product design that rewards risk reduction; responsive and consumer-focused claims handling; remuneration for the insurer and intermediaries that, while prudentially adequate, should be moderate enough to allow for a fair return on premiums for policyholders; and flexibility to adapt to changing consumer needs." (b) In the same vein, the fairness of redistribution to policyholders could be reiterated in the final sentence of concluding paragraph No. 83: it is not merely a matter of insurance products meeting customers' needs; it is also a matter of them doing so at a reasonable price—not a prohibitive one, as illustrated in several examples in the document. The IAIS could therefore consider adding the following words before the last coma of §83: ", at a reasonable and fair price for consumers". Whole §83 would thus read as follows: "The observations presented here are intended to contribute to a deeper understanding of the challenges and opportunities in ensuring that insurance products, at a reasonable and fair price for consumers, meet the needs of consumers and support their financial security and resilience."	The paragraph beginning "At the same time…" has not been amended as suggested, because it reflects the content in section 5. See IAIS response M on overall tone and balance of the paper.
335	The Geneva Association	We support the overall objective of improving understanding of how insurance products can deliver meaningful value to customers. The final paper should, however, conclude more clearly that value is multidimensional and jurisdiction-specific; that existing conduct, product-governance and consumer-protection frameworks already provide important safeguards; and that supervisory indicators must be used contextually rather than as uniform cross-sector proxies. If the IAIS undertakes future work on this topic, it should do so on a principles-based, proportionate and evidence-led basis.	Comment noted.

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		Finally, the IAIS should make clear that addressing genuinely harmful or misleading products does not require a shift towards broad supervisory intervention in product design or pricing. A proportionate approach should target clear cases of poor governance, opacity, unsuitable distribution or unfair claims practices, while preserving legitimate product diversity, risk-based pricing and innovation.	
336	Insurance Europe	Insurance Europe appreciates the recognition that a variety of supervisory approaches are possible to monitor and address product value, reflecting the diverse regulatory landscapes and market conditions across jurisdictions. Different factors can be considered to increase or diminish the value offered by insurance products, and the examples made by the Paper should be presented as non-exhaustive. However, we recommend a more balanced tone on bundled or tied sales, which should not be presented as inherently problematic. In this respect, the reference in paragraph 79 could be deleted or, at least, the wording could be softened into "certain bundled sales". Paragraph 80 could be expanded to include more examples of elements that enhance the value offered by insurance products, see the comments on section 5. Paragraph 82 refers to transparency as a tool that supervisors can use to monitor and assess value. However, this should not be understood as adding consumer facing disclosures. Priority should be given to making sure that consumers receive meaningful and engaging information, that is easy to navigate and does not confuse or unnecessarily alarm them. If benchmarks are developed, they should not be used as a consumer disclosure tool. If presented to the wider public, they would expose product manufacturers to reputational and commercial risks should they fail to meet the benchmarks. This is because the information published could be misused or misinterpreted by the different stakeholders, including competitors, comparison websites, press and journalists, social media and finfluencers, consumers and their representative organisations, and would lead to misleading or simplistic conclusions on what are the "good" or "bad" products on the market. Consumers could be tempted to choose the cheaper option at the top of the list. But this does not necessarily mean better products for their objectives, needs and financial situation. Rather, it would unduly confuse consumers, instead of helping them assess the benefits of insurance products.	Comment noted. The suggested addition of "certain" before "bundled sales" is adopted. The reference to "transparency measures" has been removed from the conclusion.

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		On a different note, such tools should not lead to more data collection nor additional burden for insurers. For example, in the EU there is already a wide range of data available based on the Package Retail and Insurance-based Investment Products Regulation (PRIIPs) Key Information Documents (KIDs), which will soon be even more accessible thanks to the European Single Access Point (ESAP), as well as national reporting and Solvency II reporting. Authorities' goal should be to reduce reporting and administrative burden, not to make it more difficult for insurers to do business and serve consumers. Finally, it is important to stress that the supervisory assessment of value should consider both quantitative and qualitative information. Claims ratios, claims handling, product performance indicators and other metrics can provide useful context, but should not be used as standalone proxies for value. The reference to supervisory tools should be qualified, specifying that such tools should remain proportionate, risk-based and within the supervisory domain.	
337	Global Federation of Insurance Associations (GFIA)	The paper would benefit from further recognition that customer value is product-specific and cannot be meaningfully assessed through any single metric. While indicators such as claims experience and consumer complaints may provide useful insights, they should be considered within the broader context of the product's objectives, risk characteristics and intended benefits. Quantitative indicators should be supplemented with qualitative information. Supervisory assessments of value should therefore be proportionate and reflect the important distinctions among life, health, savings, retirement and property and casualty insurance products, including differences in time horizons, risk profiles, and consumer needs. A balanced approach that considers multiple indicators together with product design and distribution, and that is consistent with applicable law and regulation, will better support accurate assessments of value and help reinforce consumer trust. The paper should maintain a balanced tone and avoid generalisations suggesting systemic value issues across insurance markets. Supervisory assessment tools should remain proportionate and should not be used as public ranking or benchmarking tools for consumers. Priority should be given to meaningful and understandable consumer information rather than increasing disclosures. The reference to bundled sales in Paragraph 79 suggests that they are seen generally as a bad practice.	Comments noted. See IAIS response M on overall tone and balance of the paper.

#	Respondent	Comment	Resolution of comment
		The reference could be deleted or, at least, the wording could be softened, for example: “certain bundled sales”. Paragraph 80 could be expanded. Elements that enhance the value offered by insurance products include also: clear identification of the target market, customer-focused distribution process, and the quality of the post-sale service.	
338	CNP Assurances	CNP Assurances agrees that the assessment of value should reflect the diversity of insurance markets, products, distribution models and consumer needs across jurisdictions. The examples provided in the Paper should therefore be regarded as illustrative rather than exhaustive. Supervisory tools can provide useful insights, but they should remain proportionate, risk-based and within the supervisory domain. Indicators, benchmarks and other monitoring tools should not be used as public ranking mechanisms for consumers, as they may oversimplify the assessment of insurance products and create misleading comparisons. Priority should instead be given to ensuring that consumers receive clear, meaningful and understandable information that supports informed decision-making. In addition, any supervisory approach should build on existing data and reporting frameworks and avoid creating unnecessary reporting or administrative burdens for insurers. Finally, the assessment of value should continue to combine quantitative and qualitative considerations. Indicators such as claims ratios, product performance metrics or complaints data may provide useful context, but should not be used as standalone proxies for value.	The reference to “transparency measures” has been removed from the conclusion.
339	American Council of Life Insurers (ACLI)	ACLI believes that existing supervisory tools in the U.S. including product governance, suitability requirements, disclosures, and conduct oversight provide an effective framework for promoting positive customer outcomes and consumer protection. These tools enable supervisors to identify and address areas of concern while maintaining flexibility to account for differences across products, consumers, and jurisdictions. As the IAIS continues its work in this area, ACLI encourages an evidence-based and proportionate approach that recognizes the diverse ways insurance products deliver value to consumers consistent with the characteristics influencing consumer behavior through government services, consumer preferences and other particularities. Where concerns arise, supervisory engagement, dialogue, and existing conduct tools can often provide an effective means of addressing potential issues. More significant interventions may be most appropriately reserved for circumstances where there is evidence	Comment noted.

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		of consumer harm that has not been adequately addressed through other supervisory measures. ACLI appreciates the opportunity to comment on the Issues Paper and looks forward to continued engagement with the IAIS on approaches that support consumer protection, financial inclusion, innovation, and access to insurance solutions.	