



Consultation Paper on EIOPA Draft Guidelines on the integration of the customer's sustainability preferences in the suitability assessment under the Insurance Distribution Directive

Fields marked with * are mandatory.

1 Responding to the Consultation Paper

EIOPA welcomes comments on the Consultation Paper regarding its draft Guidelines on the integration of sustainability in the advice process under Directive 2016/97.

Comments are most helpful if they:

- respond to the question stated, where applicable;
- contain a clear rationale; and
- describe any alternatives EIOPA should consider.

Please send your comments to EIOPA by **13 May 2022**, responding to the questions in the survey.

Contributions not provided using the survey or submitted after the deadline will not be processed and therefore considered as they were not submitted.

Publication of responses

Your responses will be published on the EIOPA website unless: you request to treat them confidential, or they are unlawful, or they would infringe the rights of any third party. Please, indicate clearly and prominently in your submission any part you do not wish to be publicly disclosed. EIOPA may also publish a summary of the survey input received on its website.

Please note that EIOPA is subject to Regulation (EC) No 1049/2001 regarding public access to documents and EIOPA's rules on public access to documents.

Declaration by the contributor

By sending your contribution to EIOPA you consent to publication of all information in your contribution in whole/in part – as indicated in your responses, including to the publication of your name/the name of your organisation, and you thereby declare that nothing within your response is unlawful or would infringe the rights of any third party in a manner that would prevent the publication.

Data Protection

Please note that personal contact details (such as name of individuals, email addresses and phone numbers) will not be published. EIOPA, as a European Authority, will process any personal data in line with Regulation (EU) 2018/1725. More information on how personal data are treated can be found in the privacy statement at the end of this material. www.eiopa.europa.eu/privacy-statement_en

2 Remarks on completing this survey

Choice of internet browsers

Please use preferably Firefox or Chrome for best speed of the online survey whilst ensuring use of the latest version of the browser.

Saving a draft survey

After you start filling in responses to the survey there is a facility to save your answers.

HOWEVER, PLEASE NOTE THAT THE USE OF THE ONLINE SAVING FUNCTIONALITY IS AT THE USER'S OWN RISK.

As a result, it is strongly recommended to complete the online survey in one go (i.e. all at once).

Should you still proceed with saving your answers, the online tool will immediately generate and provide you with a new link from which you will be able to access your saved answers.

It is also recommended that you select the "Send this Link as Email" icon to send a copy of the weblink to your email - please take care of typing in your email address correctly. This procedure does not, however, guarantee that your answers will be successfully saved.

Uploading document(s)

In the last section of the survey, you can also share additional material by clicking on "Select file to upload". Several documents (e.g. Word, Excel, Pdf) can be uploaded. However, note that each document / file is limited to 1MB or less in size.

Printing the completed survey

You will have the possibility to print a pdf version of the final responses to the survey after submitting it by clicking on "Download PDF".

You will automatically receive an email with the pdf file. Do not forget to check your junk / spam mailbox.

Limit of characters for the answer of each question

There is a limit of 5,000 characters for the answer of each question, including spaces and line breaks. If

your answer exceeds the limit, you can upload your answer as additional material (see "Uploading document(s)" mentioned above).

3 About you

* Name of your organisation

AMICE

* Your first name

Belma

* Your surname

Yasharova

* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

Transparency register number

62503501759-81

* E-mail (this won't be published)

belma.yasharova@amice-eu.org

* Your Member State

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czechia
- Denmark
- Estonia

- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Italy
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- Slovak Republic
- Slovenia
- Spain
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- Other

* Publication privacy settings

- Anonymous** - Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.
- Public** - Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

I agree with the personal data protection provisions

4 Survey on Consultation Paper regarding EIOPA guidelines on the integration of the customer's sustainability preferences in the suitability assessment under the Insurance Distribution Directive

Q1. Do you have any general comments regarding EIOPA proposed approach?

AMICE welcomes the opportunity to provide feedback on EIOPA's draft guidelines on the integration of customers' sustainability preferences under IDD. As a general remark, the deadline to respond to the consultation was too short and limited our ability to consult our membership on the proposed guidelines. We appreciate that EIOPA acknowledges the limited availability of data and the challenges faced by the industry in terms of the implementation timeline is concerned given that the CSRD and the SFDR delegated rules will apply at a later stage.

We believe that the guidelines in some instances should be flexible and less prescriptive and should properly reflect the principle of proportionality.

Q2. Guideline 1 – Do you agree that insurance undertakings and insurance intermediaries should explain the purpose of the sustainability part of the suitability assessment and its scope as proposed by EIOPA or do you believe that the information requirement should be expanded further, and if yes, how?

We believe there is no need to expand further the information requirements.

Given the technical nature of the different concepts and in order to facilitate the customers' understanding of such concepts, insurance undertakings/distributors should first explain the different aspects of sustainability and "sustainability preferences" and at a later stage, as the assessment evolves, explain to the customers the distinction between products.

In addition, insurance undertakings/distributions should be allowed to rely on the additional information developed in the compulsory templates to be used in the annexes to pre-contractual and periodic information under the SFDR Delegated Regulation.

We welcome the flexibility to present the explanations provided to the customers in layers.

Q3. Guideline 2 – Do you consider that insurance undertakings and insurance intermediaries should collect information on sustainability preferences as the last element within the collection of information on investment objectives?

We agree with EIOPA's proposed two-step process in line with the IDD delegated rules.

Q4. Guideline 2 – Consistently with the text of article 2(4) of Commission Delegated Regulation 2017/2359, as amended by Commission Delegated Regulation (EU) 2021/1257, EIOPA proposes to collect the information on the minimum proportion for aspects defined in points a) and b) of Article 2(4) of Commission Delegated Regulation 2017/2359 from the customer in terms of percentages or shares. Do you agree with this approach?

We agree with EIOPA's approach that the "minimum proportion of Taxonomy-aligned investments or of sustainable investments" should be expressed by the customer in percentages or shares, and should not be based on a "specified range".

Q5. Guideline 2 – EIOPA proposes that insurance undertakings and insurance intermediaries should collect information on whether the customer chooses the Taxonomy alignment based on all investment of the insurance-based investment product or only based on those assets that are not government bonds, due to the existing limitations to screen taxonomy-alignment of government bonds. Do you agree with this approach?

We find the proposed approach overly prescriptive and difficult to implement given the volume and complexity of sustainability-related information to be provided to customers. EIOPA should make it clear in the guidelines that the explanation of the differences between the two KPIs should only occur if the customer has expressed a preference related to the Taxonomy.

Q6. Guideline 2 – When the customer does not determine a specific “minimum proportion” for aspects a) and b), EIOPA proposes that insurance undertakings and insurance intermediaries could guide the customer by providing standardised minimum proportions to help the customer in determining a minimum proportion. Do you believe that the guidelines should specify how granular should be such standardised minimum proportions?

We believe that the guideline should not specify how granular the standardized minimum proportions should be.

Q7. Guideline 2 – Do you agree with the suggested approach where customers answer that they do have sustainability preferences, but do not state a preference with regard to any of the specific aspects mentioned under a) to c) or with regard to a minimum proportion with regard to points a) and b) of Article 2 (4) of Commission Delegated Regulation 2017/2359, as amended? If yes, do you believe that the supporting guideline should be more prescriptive with regard to the procedures insurance undertakings and insurance intermediaries should adopt in the case where a customer does not determine specific sustainability preferences?

The process should be flexible and therefore, the guideline should not be too prescriptive with regard to the procedure insurers should adopt in the case where a customer does not determine any specific sustainability preferences. It should be made clear that this should not prevent the possibility of offering products which may have sustainability features but do not fall within the SFDR.

Q8. Guideline 2 – Do you consider that further guidance is needed to clarify how insurance undertakings and insurance intermediaries should collect information on the customer’s sustainability preferences?

We consider that there is no need for further guidance on how to collect information on the customer's sustainability preferences.

Q9. Guideline 3 – Do you agree with the approach with regard to the periodic assessment?

We agree with the proposed approach and believe there is no need for further guidance.

Q10. Guideline 4 – EIOPA provides guidance on how to use the SFDR disclosures under Solvency II Directive to assess whether an insurance-based investment product matches the sustainability preferences of the customer in order to make a personal recommendation. Do you agree with the approach?

In point 24, EIOPA proposes the following: “For all insurance-based investment products, including those with a long-term insurance-based investment products, for example with a recommended holding period of 20-30 years, where the asset allocation may change over time, the features of the product disclosed in the pre-contractual product disclosures under Article 185 of the Solvency II Directive represent sufficient information, as the disclosed minimum share of sustainable investments and environmentally sustainable investments in the pre-contractual disclosures under Solvency II Directive represents a commitment that should be maintained at all times by the insurance undertaking.”

To our understanding this implies that an insurance company that provides a traditional insurance with a guarantee will have great difficulties to offer an insurance with a minimum share of sustainable investments that is not very moderate, as Solvency II demands a reallocation in certain situations to protect the guarantee. It’s difficult to make a commitment that is close to the proportion of investments that is intended to be sustainable in the traditional insurance as a buffer is needed and the minimum share must consider this. In comparison a unit-linked insurance can offer a minimum share that is close to the actual holding of sustainable investments as it doesn’t have to consider a buffer.

Recital 14 of the SFDR Delegated Regulation reads: ““Financial products that promote environmental or social characteristics have various degrees of sustainability-related ambition. Therefore, where those financial products pursue sustainable investment in part, financial market participants should confirm that fact in the annexes to the documents or information referred to in Article 6(3) and Article 11(2) of Regulation (EU) 2019/2088 on pre-contractual and periodic disclosures to ensure that end investors are able to understand the different degrees of sustainability and take informed investment decisions in terms of sustainability.”

We believe that paragraph 24 should either be deleted or amended accordingly to reflect the variety of products.

Q11. Guideline 4 – For multi-option products, EIOPA provides guidance on how to assess whether an insurance-based investment product matches the sustainability preferences of the customer in order to make a personal recommendation. Do you agree with the approach?

Q12. Guideline 5 – Do you agree with the approach outlined with regard to the situation where the customer makes use of the possibility to adapt the sustainability preferences?

We believe that the proposed approach on the possibility to adapt the sustainability preferences is too granular and goes beyond the level 2 requirements.

Q13. Guideline 6 – Do you agree with the guidance regarding to the arrangements necessary to ensure compliance with the record-keeping requirements or do you believe that further guidance on this aspect should be needed?

We believe that no further guidance on this is needed.

Q14. Guideline 7 – Do you agree with the guidance regarding to the qualification of employees of an insurance undertaking or insurance intermediary employees or do you believe that further guidance on this aspect should be needed?

Given the short timetable for implementation by August 2022, there should be some flexibility in order to enable insurers/distributors to deploy training programmes for employees.

Q15. What level of resources would be required to implement and comply with the guidelines (organisational, IT costs, training costs, employee costs, etc., differentiated between one off and ongoing costs)? When answering this question, please also provide information about the size, internal organisation and the nature, scale and complexity of the activities of your institution, where relevant.

Contact

[Contact Form](#)