



The European Federation of Insurance Intermediaries  
La Fédération européenne des intermédiaires d'assurances

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## BIPAR MID-TERM MEETINGS IN BUDAPEST ON 27 AND 28 JANUARY 2009

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BIPAR, the Brussels-based European Federation of Insurance Intermediaries, held its mid-term meetings in Budapest on 27 and 28 January 2009. More than 70 participants from 23 countries were present. These meetings were not only an opportunity to discuss issues which are on the ever more important European agenda but also to have an insight into developments in other national markets.

### ► Meetings of the BIPAR Standing Committees

The mid-term meetings were, as usual, the occasion to inform leaders of member associations about current European dossiers concerning the profession, in particular, the latest EU developments regarding the Insurance Mediation Directive (IMD) implementation and the regulation on retail investment products.

Chaired by **Paul Carty**, the EU Standing Committee meeting began on **27 January 2009** with a speech by **Tomáš Kukal**, civil servant at the European Commission's DG Internal Market. He informed the participants on the state of play of the IMD implementation check, and more in particular, about some divergences existing in the national implementations of this EU Directive. He invited BIPAR to continue its close cooperation with the Commission on this issue.



*Tomáš Kukal*

With regard to a possible future IMD revision, **Tomáš Kukal** shared with the participants some of the issues he would like to consider in the framework of this possible process, such as the definitions of intermediaries and the information requirements of a revised IMD. He added that a revised IMD could be a Lamfalussy Directive or a Regulation (directly applicable in the national laws of the 27 EU Member States) to ensure a maximum harmonisation of the new rules (i.e. Member States would not be allowed to go beyond the revised IMD provisions).

**BIPAR** will keep its member associations informed on this crucial dossier and may organise some bilateral meetings with DG Internal Market on specific national issues.

The second part of the EU Committee meeting was devoted to the follow up of the DG Competition sector inquiry on business insurance, and in particular, on the coinsurance issue. In this respect, DG Competition is shortly expected to send questionnaires to a

cross section of insurance intermediaries in the EU as well as to clients concerning the impact of the BIPAR principles on coinsurance.

Different delegates of member associations then briefed the participants about developments in their markets related to conduct, conflicts of interests and remuneration-related regulation, mainly in the investment and life with investment element area.

The second guest speaker at the EU Standing Committee meeting was **Niall Bohan**, head of Unit "Asset Management" of the European Commission's DG Internal Market. He explained to the participants that the distinction between retail investments products with similar economic objectives is blurring and products are distributed through increasingly similar channels. He added that competition between products is potentially beneficial for investors but concerns exist that the regulatory framework has failed to keep pace. A fragmented regulatory approach raises the risk that investors do not always receive the information they need in a form they can use and that diverging regulatory frameworks could lead to unlevel playing fields. This could reduce market efficiency and for some products, impede cross-border distribution. **Niall Bohan** explained that the Commission aims to ensure consistently high product disclosure and sales practice standards for all packaged retail investment products irrespective of how they have been packaged or how they have been sold. There should be a mandatory disclosure that should be fair, clear and not misleading, containing all information necessary to take a reasonable investment decision. **Niall Bohan** underlined that intermediary or point of sale regulation should ensure the fair treatment of the investor and that conflicts of interest should not adversely affect clients. He also announced that a White Paper on Retail Investment Products will be issued end of March. BIPAR and its national associations are particularly interested in this dossier because of its possible effects on the distribution of life with investment element insurance products (such as unit-linked life).



*Niall Bohan*



Participants then exchanged information on national initiatives related to the **financial education** of the public and related to **consumers' associations' surveys focusing on insurance intermediaries**. Education of the public is an important issue at European and International level. Insurance intermediaries are increasingly requested to play an important role in this area.

When elected Chairman of BIPAR in June 2008, **Mr. de Miomandre** explained that it was necessary to adapt to the changing environment and had suggested to set up a BIPAR working group on private insurance and another working group on business insurance. Two parallel sessions on commercial and personal lines were organised on 27 January 2008 implementing these proposals which closed that day of meetings.

**On 28 January 2009**, the respective Standing Committees of Brokers and Agents met in parallel. The Agents' Committee chaired by **Gérard Lebègue** discussed the result of their successful meeting at the European Parliament in December 2008 and exchanged information on national studies on agents. The Brokers' Committee chaired by **André Van Varenberg** discussed various issues such as the impact of the crisis, the role of supervisors, the issue of guarantee schemes, the follow-up of the DG Competition sector inquiry at national level and IT standards.

► **Extraordinary Assembly General Meeting**

After LIIBA (the London & International Insurance Brokers' Association) was accepted as a new member of BIPAR, **Alain de Miomandre** explained that the bylaws of BIPAR will have to be slightly modified. This will be followed up in June.



*From left to right: Alain de Miomandre, Gérard Lebègue, Manuel Vila, Frank de Jong, Ulrich Zander*

All delegates of national associations were invited to start making publicity with their members regarding the **third BIPAR/POI Forum on insurance intermediaries that will take place on 4, 5 and 6 June 2009 in Brussels**. Each national association was invited to come with at least 5 to 10 persons.