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Committee on the Internal Market and Consumer Protection

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OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Economic and Monetary Affairs

on the proposal for a directive of the European Parliament and of the Council
on insurance mediation (recast)
(COM(2012)0360 – C7-0180/2012 – 2012/0175(COD))

Rapporteur: Catherine Stihler

PA_Legam

SHORT JUSTIFICATION

The collapse in consumer confidence since the financial crisis extends further than retail banking, to the sale of insurance products. Insurance mediators are valuable assets to the sector, bringing a depth of knowledge that consumers have become reliant upon. This reliance brings with it risks, and has exposed a number of shortcomings which this revision seeks to address. IMD I set a benchmark for protecting consumers and clarifying what responsibilities Member States must take, designed to ensure a high level of professionalism and competence among insurance intermediaries. Since then, when Parliament was working on Solvency II there were indications of potential market failure in respect of insurance brokerage and Parliament called for a review of IMD I. To assist with the revision, PWC conducted a study¹, and an impact assessment² was commissioned.

The recast Commission proposal is a good starting point. Insurance products are exceptionally complicated for consumers who do not deal with contracts regularly. Insurance plays an important role at times when consumers are at their most vulnerable and in need and rely on intermediaries following clear and fair rules. It therefore falls to European legislators to ensure that the shortcomings from IMD I and those exposed by the global financial crisis are addressed.

That's why, in my opinion, I want to draw focus to the following areas for the lead Committee on Economic and Monetary Affairs:

- **Tying and bundling** have been clarified so that the products which European consumers value highly are explicitly protected, whilst poor selling practices will cease to operate. Tying will not be allowed because it has been abused in the past and the benefits to consumers are not significant enough to justify the risk.
- **Remuneration** rules have been reformed so that the best interest of the consumer is always what motivates the mediator's advice. Thresholds on claims and targets for sales of particular contracts will no longer be a factor that consumers have to consider. The burden of disclosure will fall on the intermediary to voluntarily disclose rather than the consumer having to make a request.
- **Geographical scope** is clearer to allow sales between intermediaries registered within the single market, and those outside the internal market. The objective is to give legal clarity, avoiding unnecessary doubt.
- **The scope of the directive** has been extended so that price comparison websites have increased duties, putting them in line with office based intermediaries.

¹ Study on the impact of the revision of the Insurance Mediation Directive (ETD/2007/IM/B2/51) final report; http://ec.europa.eu/internal_market/insurance/docs/mediation/imd_final_en.pdf

² Commission staff working document *Impact Assessment accompanying the document Directive of the European Parliament and of the Council on Insurance Mediation*
http://ec.europa.eu/internal_market/insurance/docs/consumers/mediation/20120703-impact-assessment_en.pdf

AMENDMENTS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a directive

Recital 28

Text proposed by the Commission

(28) There is a need for *suitable*, appropriate and effective out-of-court complaint and redress procedures in the Member States in order to settle disputes between insurance intermediaries or undertakings and customers, using, where appropriate, existing procedures. Effective out-of-court complaint and redress procedures should be available to deal with disputes concerning rights and obligations established under this Directive between insurance undertakings or persons selling or offering insurance products and customers. In order to enhance the effectiveness of out-of-court resolution of disputes procedures dealing with complaints submitted by customers, this Directive should provide that insurance undertakings or persons selling or offering insurance products have to participate in dispute resolution procedures, *which do not result in a binding decision, instituted against themselves by customers and concerning rights and obligations established under this Directive. Such out-of court resolution of disputes procedures would aim to achieve a quicker and less expensive settlement of disputes between insurance undertakings or persons selling or offering insurance products and customers and lightening of the burden on the court system. However, out-of-court resolution of disputes*

Amendment

(28) There is a need for appropriate and effective out-of-court complaint and redress procedures in the Member States in order to settle disputes between insurance intermediaries or undertakings and customers, using, where appropriate, existing procedures. Effective out-of-court complaint and redress procedures should be available to deal with disputes concerning rights and obligations established under this Directive and Directives between insurance undertakings or persons selling or offering insurance products and customers. In order to enhance the effectiveness of out-of-court resolution of disputes procedures dealing with complaints submitted by customers, this Directive should provide that insurance undertakings or persons selling or offering insurance products have to participate in dispute resolution procedures. *This should be in accordance with the Directive 2013/.../EU of the European Parliament and of the Council of ... [on alternative dispute resolution for consumer disputes]¹ and Regulation 2013/.../EU of the European Parliament and of the Council of ... [on online dispute resolution for consumer disputes]².*

procedures should not prejudice the rights of the parties to such procedures to bring legal proceedings before courts.

¹ OJ L ...

² OJ L ...

Amendment 2

Proposal for a directive

Recital 30

Text proposed by the Commission

(30) Consumers should be provided in advance with clear information about the status of the persons who sell the insurance product and ***about the remuneration which they receive***. There is a need to introduce a mandatory status disclosure for European insurance intermediaries and insurance undertakings. This information should be given to the consumer at the pre-contractual stage. Its role is to show the relationship between the insurance undertaking and the intermediary (where applicable) as well as the structure ***and the content*** of the intermediaries' remuneration.

Amendment

(30) Consumers should be provided in advance with clear information about the status of the persons who sell the insurance product and ***whether they are being given personal advice***. There is a need to introduce a mandatory status disclosure for European insurance intermediaries and insurance undertakings. This information should be given to the consumer at the pre-contractual stage. Its role is to show the relationship between the insurance undertaking and the intermediary (where applicable) as well as the structure of the intermediaries' remuneration.

Justification

See justification for Article 17.

Amendment 3

Proposal for a directive

Recital 40

Text proposed by the Commission

(40) This Directive should specify the minimum obligations which insurance

Amendment

(40) This Directive should specify the minimum obligations which insurance

undertakings and insurance intermediaries should have in providing information to customers. A Member State should be able to in this area maintain or adopt more stringent provisions of their home Member State where they are pursuing insurance mediation activities on its territory provided that any such more stringent provisions comply with Union law, including Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce). A Member State which proposes to apply and applies provisions regulating insurance intermediaries and the sale of insurance products in addition to those set out in this Directive should ensure that the administrative burden stemming from these provisions is proportionate for consumer protection. In the interest of consumer protection and in order to prevent mis-selling of insurance products, Member States should be permitted to apply *exceptionally* the more stringent requirements to such insurance intermediaries conducting insurance mediation on an ancillary basis if they consider it necessary and proportionate.

undertakings and insurance intermediaries should have in providing information to customers. A Member State should be able to in this area maintain or adopt more stringent provisions of their home Member State where they are pursuing insurance mediation activities on its territory provided that any such more stringent provisions comply with Union law, including Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce). A Member State which proposes to apply and applies provisions regulating insurance intermediaries and the sale of insurance products in addition to those set out in this Directive should ensure that the administrative burden stemming from these provisions is proportionate for consumer protection. In the interest of consumer protection and in order to prevent mis-selling of insurance products, Member States should be permitted to apply the more stringent requirements to such insurance intermediaries conducting insurance mediation on an ancillary basis if they consider it necessary and proportionate.

Justification

Member States should be allowed to apply more stringent rules where they see fit, due to the heterogeneously structured European insurance market.

Amendment 4 **Proposal for a directive**

Article 1 – paragraph 1

Text proposed by the Commission

1. This Directive lays down rules concerning the taking-up and pursuit of the activities of insurance and reinsurance

Amendment

1. This Directive lays down rules concerning the taking-up and pursuit of the activities of insurance and reinsurance

mediation, ***including professional management of claims and loss adjusting***, by natural and legal persons which are established in a Member State or which wish to be established there.

mediation, by natural and legal persons which are established in a Member State or which wish to be established there.

Justification

Extending the scope to include loss adjustment and expert services causes serious concern because it introduces into the distribution of insurance products a fresh series of occupations which are not, by their professional nature, relevant to the activity which is being regulated.

Amendment 5 Proposal for a directive

Article 1 – paragraph 2 – point f

Text proposed by the Commission

(f) the amount of the annual premium for the insurance contract, when pro-rated to produce an annual amount, does not exceed EUR 600.

Amendment

(f) the amount of the annual premium for the insurance contract, when pro-rated to produce an annual amount, does not exceed EUR 600.

EIOPA shall review the amount referred to in point (f) of paragraph 2 regularly in order to take account of changes in the European Index of Consumer Prices as published by Eurostat. The first review shall take place five years after the entry into force of this Directive and the successive reviews every five years after the previous review date.

EIOPA shall develop draft regulatory standards which adapt the base amount in euro referred to in point (f) of paragraph 2 by the percentage change in that Index over the period between the entry into force of this Directive and the first review date or between the last review date and the new review date and rounded up to the nearest euro.

EIOPA shall submit those draft regulatory technical standards to the Commission five years after the entry into force of this Directive and the successive reviews every five years after the previous

review date.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1094/2010.

Amendment 6

Proposal for a directive Article 2 – point 3

Text proposed by the Commission

3. 'insurance mediation' means the activities of advising on, proposing or carrying out other work preparatory to the conclusion of contracts of insurance, concluding such contracts or assisting in the administration and performance of such contracts, in particular in the event of a claim, ***and the activity of professional management of claims and loss adjusting.*** These activities shall be considered to be insurance mediation also if carried on by an insurance undertaking without the intervention of an insurance intermediary.

Amendment

3. 'insurance mediation' means the activities of advising on, proposing or carrying out other work preparatory to the conclusion of contracts of insurance, concluding such contracts or assisting in the administration and performance of such contracts, in particular in the event of a claim. These activities shall be considered to be insurance mediation also if carried on by an insurance undertaking without the intervention of an insurance intermediary. ***Comparing information regarding insurance products and prices on a commercial basis on a website should be considered as insurance intermediation.***

Justification

It must be made clear that this paragraph applies to insurance comparison websites.

Amendment 7

Proposal for a directive

Article 2 – point 6 a (new)

Text proposed by the Commission

Amendment

6a. In order to guarantee that the same level of protection applies and that the consumer can benefit from comparable standards it is essential that this Directive promotes a level playing field and

competition on equal terms between intermediaries whether they tied to an insurance undertaking or not. There is a benefit to consumers if insurance products are mediated through various channels and intermediaries with different forms of cooperation with insurance undertakings provided they have to apply the same rules on consumer protection. It is important that these aspects are taken into account by the Member States in the implementation of this Directive.

Amendment 8 **Proposal for a directive**

Article 2 – point 8

Text proposed by the Commission

8 ‘tied insurance intermediary’ means any person who carries on the activity of insurance mediation for and on behalf of one or more insurance undertakings or insurance intermediaries, and who acts under the full responsibility of those insurance undertakings or insurance intermediaries, ***provided that the insurance intermediaries under whose responsibility the person acts do not themselves act under the responsibility of another insurance undertaking or intermediary;***

Amendment

8 ‘tied insurance intermediary’ means any person who carries on the activity of insurance mediation for and on behalf of one or more insurance undertakings or insurance intermediaries, and who acts under the full responsibility of those insurance undertakings or insurance intermediaries;

Justification

An intermediary is tied regardless of the capacity of the entity to which it is tied. The term also needs to be streamlined with the definition provided in previous legislation, such as in the proposed wording of the Proposal for a Directive of the European Parliament and of the Council on credit agreements relating to residential property, COM(2011) 142 final (CARRP).

Amendment 9

Proposal for a directive

Article 2 – point 9

Text proposed by the Commission

9. 'advice' means the provision of a recommendation to a customer, either upon their request or at the initiative of the insurance undertaking or the insurance intermediary;

Amendment

9. 'advice' means the provision of a **personal** recommendation to a customer, either upon their request or at the initiative of the insurance undertaking or the insurance intermediary;

Justification

Alignment with the definition used in CARP and MiFID. This is also to differentiate between what is information and what is advice.

Amendment 10

Proposal for a directive

Article 2 – point 10

Text proposed by the Commission

10. 'contingent commission' means a remuneration in the form of a commission **where the amount payable is** based on the achievement of **agreed** targets relating to the business placed by the intermediary with **that** insurer;

Amendment

10. 'contingent commission' means a remuneration in the form of a commission based on the achievement of **pre-agreed** targets **or thresholds** relating to the **volume of** business placed by the intermediary with **the** insurer,

Amendment 11

Proposal for a directive

Article 2 – point 19

Text proposed by the Commission

19. 'tying practice' means the offering of one or more ancillary services with an insurance service or product in a package where this insurance service or product is not made available to the consumer separately.

Amendment

deleted

Amendment 12
Proposal for a directive

Article 2 – point 20 a (new)

Text proposed by the Commission

Amendment

20a. ‘product’ means an insurance policy covering one or several risks.

Amendment 13
Proposal for a directive

Article 3 – paragraph 1 – subparagraph 3

Text proposed by the Commission

Amendment

Member States may stipulate that, where an insurance or reinsurance intermediary acts under the responsibility of an insurance or reinsurance undertaking or of another registered insurance or reinsurance intermediary, the ***latter*** intermediary ***or the undertaking shall be responsible for ensuring that it meets the conditions for registration set out in this Directive. In such a case, the person or entity accepting responsibility shall, having been informed by the Member States of the matters set out in paragraph 7 of this Article, subparagraphs (a) and (b), be satisfied as to the matter set out in paragraph 7 of this Article, subparagraph (c).*** Member States may also stipulate that the person or entity which takes responsibility for the intermediary shall register that intermediary.

Member States may stipulate that, where an insurance or reinsurance intermediary acts under the responsibility of an insurance or reinsurance undertaking or of another registered insurance or reinsurance intermediary, the ***insurance*** intermediary ***shall not be required to provide the competent authority with the information in points (a) and (b) of Article 3(7) and the insurance entity responsible shall ensure that the insurance intermediary meets the conditions for registration and other provisions set out in this Directive.*** Member States may also stipulate that the person or entity which takes responsibility for the intermediary shall register that intermediary.

Amendment 14
Proposal for a directive

Article 3 – paragraph 5 – subparagraph 1

Text proposed by the Commission

Amendment

Member States shall ensure that the

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competent authorities do not register an insurance or reinsurance intermediary unless it is satisfied that the intermediary meets the requirements laid down in Article 8.

competent authorities do not register an insurance or reinsurance intermediary unless it is satisfied that the intermediary meets the requirements laid down in Article 8, ***or that another intermediary or undertaking will take the responsibility for ensuring that the intermediary meets these requirements in accordance with subparagraph 3 of Article 3(1).***

Amendment 15
Proposal for a directive

Article 3 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. Registered insurance and reinsurance intermediaries shall be allowed to take up and pursue the activity of insurance and reinsurance mediation in the Union by means of both freedom of establishment and freedom to provide services.

Amendment 16
Proposal for a directive

Article 3 – paragraph 7 – point a

Text proposed by the Commission

Amendment

(a) to provide information to their competent authorities of the identities of shareholders or members, whether natural or legal persons, that have a holding in the intermediary that exceeds 10% and the amounts of those holdings;

(a) tied intermediaries; and

Amendment 17
Proposal for a directive

Article 3 – paragraph 7 – point b

Text proposed by the Commission

Amendment

(b) to provide information to their competent authorities of the identities of persons who have close links with the insurance or reinsurance intermediary;

(b) intermediaries where another insurance entity takes responsibility for ensuring that the intermediary meet these requirements in accordance with subparagraph 3 of Article 3(1).

Member States shall ensure that their competent authorities require that insurance and reinsurance intermediaries to whom Article 3(7) applies inform them without undue delay where information provided under points (a) and (b) of Article 3(7) changes.

Amendment 18
Proposal for a directive

Article 4

Text proposed by the Commission

Amendment

Article 4

deleted

Declaration procedure for providing ancillary insurance mediation; professional management of claims or loss assessment services

1. The registration requirements in Article 3 shall not apply to an insurance intermediary which conducts insurance mediation on an ancillary basis, provided that its activities meet all the following conditions:

(a) the principal professional activity of the insurance intermediary is other than insurance mediation;

(b) the insurance intermediary only mediates certain insurance products that are complementary to a product or service and clearly identifies them in the declaration;

(c) the insurance products concerned do not cover life assurance or liability risks,

unless that cover is incidental to the main cover.

2. The registration requirements in Article 3 shall not apply to insurance intermediaries whose sole activity is professional management of claims or loss assessment services.

3. Any insurance intermediary who is subject to paragraphs 1 and 2 of this Article shall submit to the competent authority of its home Member State a declaration whereby it informs the competent authority of its identity, address and professional activities.

4. Intermediaries who are subject to paragraphs 1 and 2 of this Article shall be subject to the provisions of Chapters I, III, IV, V, VIII, IX and Articles 15 and 16 of this Directive.

Justification

In principle, intermediaries should be registered and something between registration and lack of registration should be avoided. It is also difficult to see that the procedure means any real simplification for the companies in question, given that the requirements in Article 8 have to be met.

Amendment 19 Proposal for a directive

Article 6 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. An insurance intermediary is operating under freedom of establishment if he carries on business in a host Member State for an indefinite period via a permanent presence in that Member State.

Amendment 20 Proposal for a directive

Article 6 – paragraph 4 – subparagraph 4 a (new)

Text proposed by the Commission

Amendment

A registered insurance or reinsurance intermediary carries on an insurance mediation activity under the 'freedom of services' if:

a) it carries on insurance or reinsurance mediation with or for a policyholder who resides or is established in a Member State different from the home Member State of the intermediary;

b) any risk to be insured is situated in a Member State different from the home Member State of the intermediary;

c) it must comply with paragraphs 1 and 4.

**Amendment 21
Proposal for a directive**

Article 7 – paragraph 1

Text proposed by the Commission

Amendment

1. If an insurance intermediary's primary place of business is located in another Member State, then the competent authority of that other Member State may agree with the home Member State competent authority to act as if it were the home Member State competent authority with regard to the obligations in chapters VI, VII and VIII of this Directive. In the event of such an agreement, the home Member State competent authority shall notify the insurance intermediary and EIOPA without delay.

1. Each Member State shall require that:

a) any insurance intermediary which is a legal person have its head office in the same Member State as its registered office and that it actually operates there;

b) any insurance intermediary which is not a legal person or any insurance intermediary which is a legal person but

under its national law has no registered office have its head office in a Member State in which it actually carries on its business.

If an insurance intermediary's primary place of business is located in another Member State, then the competent authority of that other Member State may agree with the home Member State competent authority to act as if it were the home Member State competent authority with regard to the obligations in Chapters VI, VII and VIII of this Directive. In the event of such an agreement, the home Member State competent authority shall notify the insurance intermediary and EIOPA without delay.

Amendment 22
Proposal for a directive

Article 7 – paragraph 3 – introductory part

Text proposed by the Commission

3. Where the host Member State has grounds for concluding that an insurance or reinsurance intermediary acting within its territory under the freedom to provide services or through an establishment is in breach of any obligation set out in this Directive it shall refer those findings to the competent authority of the home Member State which shall take the appropriate measures. In cases where, despite measures taken by the competent authority of the home Member State, an insurance or reinsurance intermediary persists in acting in a manner that is clearly prejudicial to the interests of host Member State consumers or the orderly functioning of insurance and reinsurance markets, the insurance or reinsurance intermediary shall be subject to the following measures:

Amendment

3. Where the host Member State has grounds for concluding that an insurance or reinsurance intermediary acting within its territory under the freedom to provide services or through an establishment is in breach of any obligation set out in this Directive, ***and where the host Member State does not have powers under this Directive to take action in response to such breaches***, it shall refer those findings to the competent authority of the home Member State which shall take the appropriate measures. In cases where, despite measures taken by the competent authority of the home Member State, an insurance or reinsurance intermediary persists in acting in a manner that is clearly prejudicial to the interests of host Member State consumers or the orderly functioning of insurance and reinsurance markets, the insurance or reinsurance intermediary shall

be subject to the following measures:

Amendment 23
Proposal for a directive

Article 8 – paragraph 1 – subparagraph 3

Text proposed by the Commission

Member States *may* adjust the required conditions with regard to knowledge and ability in line with the particular activity of insurance or reinsurance mediation and the products mediated, particularly if the principal professional activity of the intermediary is other than insurance mediation. *In such cases, that intermediary may pursue an activity of insurance mediation only if an insurance intermediary fulfilling the conditions of this Article or an insurance undertaking assumes full responsibility for the intermediary's actions. Member States may provide that in the cases referred to in the second subparagraph of Article 3(1), the insurance undertaking or intermediary shall verify that the knowledge and ability of the intermediaries are in conformity with the obligations set out in the first subparagraph of this paragraph and, if need be, shall provide such intermediaries with training which corresponds to the requirements concerning the products sold by the intermediaries.*

Amendment

Member States *shall* adjust the required conditions with regard to knowledge and ability in line with the particular activity of insurance or reinsurance mediation and the products mediated, particularly if the principal professional activity of the intermediary is other than insurance mediation.

The training and monitoring requirements of this article should not directly apply to those intermediaries who provide insurance mediation on an ancillary basis, but to the insurance undertakings or other intermediaries under whose responsibility they act and who themselves fulfil these obligations.

Member States may provide that in the cases referred to in the second subparagraph of Article 3(1), the

insurance undertaking or intermediary shall verify that the knowledge and ability of the intermediaries are in conformity with the obligations set out in the first subparagraph of this paragraph and, if need be, shall provide such intermediaries with training which corresponds to the requirements concerning the products sold by the intermediaries.

Justification

Where there is a change of the professional requirements, the insurance undertaking which is underwriting a policy not only assumes full responsibility for the intermediary's actions but is also responsible for the training and monitoring of the ancillary intermediary.

Amendment 24 **Proposal for a directive**

Article 8 – paragraph 3

Text proposed by the Commission

3. Insurance and reinsurance intermediaries shall hold professional indemnity insurance covering the whole territory of the Union or some other comparable guarantee against liability arising from professional negligence, for at least EUR 1,120,000 applying to each claim and in aggregate EUR 1,680,000 per year for all claims, unless such insurance or comparable guarantee is already provided by an insurance undertaking, reinsurance undertaking or other undertaking on whose behalf the insurance or reinsurance intermediary is acting or for which the insurance or reinsurance intermediary is empowered to act or such undertaking has taken on full responsibility for the intermediary's actions.

Amendment

3. Insurance and reinsurance intermediaries shall hold professional indemnity insurance or provide some other equivalent suretyship relative to:

- the amount of mediation they undertake;*
- whether or not insurance mediation is their main business activity; and*

- the complexity of the products they mediate.

It shall cover the whole territory of the Union and provide surety-ship against liability arising from professional negligence, for at least EUR 1,120,000 applying to each claim and in aggregate EUR 1,680,000 per year for all claims, unless such insurance or comparable surety-ship is already provided by an insurance undertaking, reinsurance undertaking or other undertaking on whose behalf the insurance or reinsurance intermediary is acting or for which the insurance or reinsurance intermediary is empowered to act or such undertaking has taken on full responsibility for the intermediary's actions.

Justification

There should be a certain degree of proportionality between the complexity of insurance products and the indemnity insurances to be held by intermediaries. The word « guarantee » is quite a narrow legal term, which should be changed to encompass equivalent instruments, e.g. allowing for surety-ships (German: Bürgschaft).

Amendment 25 **Proposal for a directive**

Article 8 – paragraph 7 – subparagraph 2

Text proposed by the Commission

EIOPA shall develop draft regulatory standards which adapt the base amount in euro referred to in paragraphs 3 and 4 by the percentage change in that Index over the period between the entry into force of this Directive and the first review date or between the last review date and the new review date and rounded up to the nearest euro.

Amendment

deleted

Justification

Given the very different characteristics of national markets it is entirely appropriate that home Member States should set the required level of professional standards.

Amendment 26

Proposal for a directive

Article 8 – paragraph 7 – subparagraph 3

Text proposed by the Commission

Amendment

EIOPA shall submit those draft regulatory technical standards to the Commission five years after the entry into force of this Directive and the successive reviews every five years after the previous review date. **deleted**

Justification

To be read in conjunction with other MH AMs to Article 8

Amendment 27

Proposal for a directive

Article 8 – paragraph 7 – subparagraph 4

Text proposed by the Commission

Amendment

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1094/2010. **deleted**

Justification

To be read in conjunction with other MH AMs to Article 8

Amendment 28

Proposal for a directive

Article 8 – paragraph 8

Text proposed by the Commission

Amendment

8. The Commission shall be empowered to adopt delegated acts in accordance with Article 33. Those delegated acts shall specify:

deleted

(a) the notion of adequate knowledge and ability of the intermediary when carrying on insurance mediation with its customers as referred to in paragraph 1 of this Article;

(b) appropriate criteria for determining in particular the level of professional qualifications, experiences and skills required for carrying on insurance mediation;

(c) the steps that insurance intermediaries and insurance undertakings might reasonably be expected to take to update their knowledge and ability through continuing professional development in order to maintain an adequate level of performance.

Amendment 29

Proposal for a directive

Article 10 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The powers referred to in paragraph 3 shall be exercised in conformity with national law and shall include, at least, the rights to:

(a) have access to any document in any form whatsoever which would be relevant for the performance of the supervisory duties and to receive a copy of it;

(b) demand information from any person and if necessary to summon and question a person with a view to obtaining information;

- (c) carry out on-site inspections;*
- (d) carry out mystery shopping;*
- (e) request temporary prohibition of professional activity;*
- (f) require insurance undertakings to provide information;*
- (g) refer matters for criminal prosecution;*
- (h) allow auditors or experts to carry out verifications or investigations.*

Justification

The powers of the competent authorities should be better described in order to ensure that competent authorities in all Member States have the powers needed to perform the duties provided for by the directive.

Amendment 30
Proposal for a directive

Article 13 – paragraph 1 – introductory part

Text proposed by the Commission

1. Member States shall ensure the setting-up of appropriate, effective, impartial and independent complaints and redress procedures for the out-of-court settlement of disputes between insurance intermediaries and customers, and between insurance undertakings and customers, using existing bodies where appropriate.
Member States shall further ensure that all insurance undertakings and insurance intermediaries participate in the procedures for the out-of-court settlement of disputes where the following conditions are met:

Amendment

1. Member States shall ensure the setting-up of appropriate, effective, impartial and independent complaints and redress procedures for the out-of-court settlement of disputes between insurance intermediaries and customers, and between insurance undertakings and customers, using existing bodies where appropriate.

Justification

The draft proposal would fundamentally undermine consumer protection by requiring that the decisions of ADR should not be binding on firms. If firms do not face the risk of being bound, their incentives to reach a mediated settlement will be significantly reduced. These amendments propose that all conditions imposed on ADR schemes in Article 13 are omitted. This will allow member states the flexibility to adopt ADR arrangements that are suited to the

Text proposed by the Commission

Amendment

(b) [the running of] the limitation period for bringing the dispute before a court is suspended for the duration of the procedure for alternative dispute resolution; ***deleted***

Justification

To be read in conjunction with other MH AMs to Article 13.

**Amendment 34
Proposal for a directive**

Article 13 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) the period of prescription of the claim is suspended for the duration of the procedure; ***deleted***

Justification

To be read in conjunction with other MH AMs to Article 13.

**Amendment 35
Proposal for a directive**

Article 13 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) the procedure is free of charge or at moderate costs; ***deleted***

Justification

To be read in conjunction with other MH AMs to Article 13.

Amendment 36
Proposal for a directive

Article 13 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) electronic means are not the only means by which the parties can gain access to the procedure and; **deleted**

Justification

To be read in conjunction with other MH AMs to Article 13.

Amendment 37
Proposal for a directive

Article 13 – paragraph 1 – point f

Text proposed by the Commission

Amendment

(f) interim measures are possible in exceptional cases where the urgency of the situation so requires. **deleted**

Justification

To be read in conjunction with other MH AMs to Article 13.

Amendment 38
Proposal for a directive

Article 13 – paragraph 2

Text proposed by the Commission

Amendment

2. Member States shall ensure that these bodies cooperate in the resolution of cross-border disputes. **2. For business-to-customer transactions, these bodies shall comply with Directive 2013/.../EU [on alternative dispute resolution for consumer disputes].**

Justification

Redress procedures shall be set up for out-of-court settlement of disputes for both

intermediaries and insurance undertakings and customers. This provision should be consistent with recent initiatives for an Alternative Dispute Resolution Directive (ADR).

Amendment 39
Proposal for a directive

Article 13 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States shall ensure that insurance intermediaries established on their territories inform consumers about the name, address and website address of the ADR entities by which they are covered and which are competent to deal with potential disputes between themselves and consumers.

Amendment 40
Proposal for a directive

Article 13 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. Insurance intermediaries within the Union engaging in online and cross-border online sales shall inform consumers about the ODR platform, if applicable and about their email address. This information shall be made easily, directly, prominently and permanently accessible on the insurance intermediaries' website and if the offer is made by e-mail or another textual message transmitted by electronic means, in that message. It shall include an electronic link to the ODR platform's homepage. Insurance intermediaries shall also inform consumers about the ODR platform when the consumer submits a complaint to the insurance intermediary, a consumer complaint handling system operated by the insurance intermediary or to a company ombudsman.

Amendment 41

Proposal for a directive Article 14

Text proposed by the Commission

Member States shall ensure that insurance and reinsurance undertakings and intermediaries use the insurance and reinsurance mediation services only of registered insurance and reinsurance intermediaries or of the persons referred to in Article 1(2) or of the persons who have fulfilled the declaration procedure referred to in Article 4.

Amendment

Member States shall ensure that insurance and reinsurance undertakings and intermediaries use the insurance and reinsurance mediation services only of registered insurance and reinsurance intermediaries or of the persons referred to in Article 1(2) or of the persons who have fulfilled the declaration procedure referred to in Article 4. ***If national law provides, when insurance and reinsurance intermediaries based inside the Union use the services of insurance or reinsurance intermediaries outside the Union, it is not necessary for the intermediary or undertaking which is based outside the Union to be registered within the Member State.***

Justification

The geographical scope has been made clearer to ensure that intermediaries registered within the EU can still work with those outside of EU.

Amendment 42

Proposal for a directive

Article 17 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Ia. An insurance intermediary is regarded as providing advice on an independent basis only if the intermediary in its information to the customer has stated that this is the case.

Justification

The last paragraph is added in order to clarify that "non-tied" intermediaries should not per se be regarded as providing advice on an independent basis

Amendment 43

Proposal for a directive

Article 17 – paragraph 1 – point (c) – point (i)

Text proposed by the Commission

(i) it gives advice on the basis of a fair analysis, or

Amendment

(i) it **must disclose whether it** gives advice on the basis of a fair **and personal** analysis, or

Justification

Consumers must be well informed about the advice they are receiving.

Amendment 44

Proposal for a directive

Article 17 – paragraph 1 – point (c) – point (iii)

Text proposed by the Commission

(iii) it is not under a contractual obligation to conduct insurance mediation business exclusively with one or more insurance undertakings and does not give advice on the basis of a fair analysis. In that case, it shall provide the names of the insurance undertakings with which it may and does conduct business;

Amendment

(iii) it is not under a contractual obligation to conduct insurance mediation business exclusively with one or more insurance undertakings and does not give advice on the basis of a fair **and personal** analysis. In that case, it shall provide the names of the insurance undertakings with which it may and does conduct business ;

Amendment 45

Proposal for a directive

Article 17 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) the nature of the remuneration received in relation to the insurance contract;

deleted

Justification

Appears to duplicate point e)

Amendment 46 Proposal for a directive

Article 17 – paragraph 1 – point f

Text proposed by the Commission

Amendment

(f) if the intermediary will receive **a fee or a commission** of any kind, the full amount of the remuneration concerning the insurance products being offered or considered or, where the precise amount is not capable of being given, the basis of calculation of all the fee **or commission or the combination of both**;

(f) if the intermediary will receive **remuneration** of any kind **in relation to the insurance contract**, the full amount of the remuneration concerning the insurance products being offered or considered or, where the precise amount is not capable of being given, the basis of calculation of all **remuneration, upon request of the consumer**;

Justification

The proposed amendment will ensure the full disclosure of fees to customers.

Amendment 47

Proposal for a directive

Article 17 – paragraph 1 – point (g)

Text proposed by the Commission

Amendment

(g) **if the amount of the commission is based on the achievement of agreed targets or thresholds relating to the business placed by the intermediary with an insurer, the targets or thresholds as well as the amounts payable on the achievement of them.**

(g) **that the consumer has the right to request the information referred to in point (f)**

Justification

There is a direct conflict of interest between targets or thresholds of sales of products and acting in the consumer's best interest.

Amendment 48

Proposal for a directive

Article 17 – paragraph 2

Text proposed by the Commission

Amendment

2. By derogation from paragraph 1 (f) for five years from the date on which this Directive comes into force, the intermediary of insurance contracts other than contracts in any of the classes specified in Annex I of Directive 2002/83/EC, shall, prior to the conclusion of any such insurance contract, if the intermediary is to be remunerated by a fee or commission,

(a) provide the customer with the amount or, where the precise amount is not capable of being given, the basis of calculation of the fee or commission or the combination of both, if the customer so requests.

(b) inform the customer of his right to request the information referred to in point (a).

deleted

Justification

With special reference to the provisions on the marketing of non-financial insurance products, since such products do not comprise any investment component and the commission does not in any way affect its performance, we propose that these provisions be deleted.

Amendment 49

Proposal for a directive

Article 17 – paragraph 4

Text proposed by the Commission

Amendment

4. If any payments are made by the

4. With the exception of cases where a

customer under the insurance contract after its conclusion, the insurance undertaking or intermediary shall also make the disclosures in accordance with this Article for each such payment.

regular monthly direct debit of the exact same amount has been fully disclosed, including the number of months the direct debit will be debited before the signing of a contract, if any payments are made by the customer under the insurance contract after its conclusion, the insurance undertaking or intermediary shall also make the disclosures in accordance with this Article for each such payment.

Justification

For regular direct debits which have been agreed to in a contract, where the consumer has been well informed about such direct debits, it is an unfair burden on insurance undertakings or intermediaries to communicate with the consumer every time the debit occurs.

Amendment 50 Proposal for a directive

Article 17 – paragraph 5

Text proposed by the Commission

Amendment

5. The Commission shall be empowered to adopt delegated acts in accordance with Article 33. Those delegated acts shall specify:

deleted

(a) appropriate criteria for determining how the remuneration of the intermediary - including contingent commission – shall be disclosed to the customer as referred to in paragraph 1 (f) and (g) and paragraph 2 of this Article;

(b) appropriate criteria for determining in particular the basis of calculation of all the fee or commission or the combination of both;

(c) the steps that insurance intermediaries and insurance undertakings might reasonably be expected to take to disclose their remuneration to the customer.

Justification

IMD2 should have a clear and comprehensive level 1 text which goes against the logic of

giving the Commission delegated powers.

Amendment 51
Proposal for a directive

Article 18 – paragraph 2

Text proposed by the Commission

2. The details referred to in points (a) and (b) of paragraph 1 shall be modulated according to the complexity of the insurance product being proposed and the level of financial risk to the customer.

Amendment

2. The details referred to in points (a) and (b) of paragraph 1 shall be modulated according to the complexity of the insurance product being proposed and the level of financial risk to the customer ***and the distribution route.***

Amendment 52

Proposal for a directive
Article 18 – paragraph 3

Text proposed by the Commission

3. When the insurance intermediary or the insurance undertaking inform the customer that it ***gives*** its advice on the basis of a fair analysis, it is obliged to ***give*** that advice on the basis of an analysis of a sufficiently large number of insurance contracts available on the market, to enable it to make a recommendation, in accordance with professional criteria regarding which insurance contract would be adequate to meet the customer's needs.

Amendment

3. When the insurance intermediary or the insurance undertaking inform the customer that it ***provides*** its advice on the basis of a fair analysis, it is obliged to ***provide*** that advice on the basis of an analysis of a ***significant and*** sufficiently large number of insurance contracts. ***Insurance intermediaries must also source these contracts from a significant and sufficiently large number of insurance providers*** available on the market, to enable it to make a recommendation, in accordance with professional criteria regarding which insurance contract would be adequate to meet the customer's needs.

Justification

To avoid cases where only one insurance provider's contracts are looked at and suggested, more than one provider's contracts should be analysed.

Amendment 53
Proposal for a directive

Article 18 – paragraph 4

Text proposed by the Commission

4. Prior to the conclusion of a contract, whether or not advice is **given**, the insurance intermediary or insurance undertaking shall **give** the customer the relevant information about the insurance product in a comprehensible form to allow the customer to make an informed decision, while taking into account the complexity of the insurance product and the type of customers.

Amendment

4. Prior to the conclusion of a contract, whether or not advice is **provided**, the insurance intermediary or insurance undertaking shall **provide** the customer the relevant information about the insurance product in a comprehensible form to allow the customer to make an informed decision, while taking into account the complexity of the insurance product and the type of customers. ***It shall be provided in a standardised information sheet, in a plain language, and containing the key information of the insurance contract.***

Amendment 54
Proposal for a directive

Article 18 a (new)

Text proposed by the Commission

Amendment

Article 18a

This Article shall not apply to persons carrying out insurance mediation when carried on in relation to the sale of insurance investment products by:

- (a) an insurance intermediary;***
- (b) an insurance undertaking.***

Justification

Insurance mediation in relation to the sale of insurance investment products is already dealt with in chapter VII. The associated appropriateness and suitability test are also already applicable and dealt with in Article 25. These rules should therefore not be duplicated.

Amendment 55
Proposal for a directive

Article 19 – paragraph 1

Text proposed by the Commission

1. The information referred to in Articles 16, 17 and 18 need not be **given** when the insurance intermediary or insurance undertaking mediates in the insurance of large risks, in the case of mediation by reinsurance intermediaries or reinsurance undertakings, or in relation to professional customers as specified in the Annex .

Amendment

1. The information referred to in Articles 16, 17 and 18 need not be **provided** when the insurance intermediary or insurance undertaking mediates in the insurance of large risks, in the case of mediation by reinsurance intermediaries or reinsurance undertakings, or in relation to professional customers as specified in the Annex .

Amendment 56
Proposal for a directive

Article 19 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States which maintain or adopt stricter provisions applying to insurance intermediaries shall ensure that these provisions respect level playing field principles and that the administrative burden stemming from these provisions is proportionate relative to the consumer protection benefits.

Amendment 57

Proposal for a directive
Article 20 – paragraph 7

Text proposed by the Commission

7. In the case of telephone selling, the prior information given to the customer shall be in accordance with Union rules applicable to the distance marketing of consumer financial services. Moreover, information shall be provided to the customer in accordance with paragraph 1 or 2

Amendment

7. In the case of telephone selling, the prior information given to the customer shall be in accordance with Union rules applicable to the distance marketing of consumer financial services. Moreover, ***following the conditions of paragraph 4(b) being met,*** information shall be provided to the

immediately after the conclusion of the insurance contract.

customer in accordance with paragraph 1 or 2 immediately after the conclusion of the insurance contract.

Justification

It's fair to ask the customer if they want paper or electronic means rather than a telephone seller making the decision for the customer.

Amendment 58
Proposal for a directive

Article 21 – paragraph 1

Text proposed by the Commission

1. Member States shall allow bundling practices ***but not tying practices.***

Amendment

1. Member States shall allow bundling practices

1a. Member States may require that national competent authorities in cooperation with EIOPA shall intervene on a case-by-case basis to forbid certain tying practices when they can demonstrate that such practices are detrimental to consumers.

Justification

There is no clear evidence of consumer detriment to support a ban on tying insurance products, as these proposals were not part of the Commission's IMD consultation and impact assessment.

Amendment 59
Proposal for a directive

Article 21 – paragraph 2

Text proposed by the Commission

2. When ***an*** insurance ***service or product*** is offered together with another service or product as a package, the insurance undertaking or, where applicable, the insurance intermediary shall ***offer and*** inform the customer ***that*** it is possible to buy the components of the package

Amendment

2. When insurance is offered together with another service or product as a package, the insurance undertaking or, where applicable, the insurance intermediary shall inform the customer ***whether*** it is possible to buy the components of the package separately and, ***if so*** shall provide

separately and shall provide information of the costs and charges of each component of the package that may be bought through or from it separately.

information of the costs and charges of each component of the package that may be bought through or from it separately.

Justification

This wording brings the proposal in line with the MiFID approach.

Amendment 60
Proposal for a directive

Article 22 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Article 23 (1) and (2) shall also apply to insurance intermediaries and insurance undertakings when carrying out insurance mediation in relation to all insurance products.

Justification

As for MH AMs in relation to Article 17, remuneration disclosure is of limited value in addressing conflicts of interest. This extends the Article 23 conflicts of interest rules to all insurance products.

Amendment 61

Proposal for a directive
Article 22 – paragraph 1 b new

Text proposed by the Commission

Amendment

Member States may maintain or adopt stricter provisions regarding the customer protection requirements referred to in Articles 21, 23, 24 and 25 provided that such provisions comply with Union law. ESMA and EIOPA should work together to achieve as much consistency as possible in the conduct of business standards for retail investment products that are subject to either (MiFID II) or to this Directive through guidelines.

Amendment 62

Proposal for a directive Article 23 – paragraph 1

Text proposed by the Commission

1. Member States shall require insurance intermediaries and insurance undertakings to take all appropriate steps to identify conflicts of interest between themselves, including their managers, employees and tied insurance intermediaries, or any person directly or indirectly linked to them by control and their customers or between one customer and another that arise in the course of carrying on insurance mediation.

Amendment

1. Member States shall require insurance intermediaries and insurance undertakings to take all appropriate steps to identify, ***mitigate, avoid and remove*** conflicts of interest between themselves, including their managers, employees and tied insurance intermediaries, or any person directly or indirectly linked to them by control and their customers or between one customer and another that arise in the course of carrying on insurance mediation.

Justification

It's fair to ask the customer if they want paper or electronic means rather than the phone insurance company making that call.

Amendment 63

Proposal for a directive Article 23 – paragraph 2

Text proposed by the Commission

2. Where steps taken by the insurance intermediary or insurance undertaking ***in compliance with Articles 15, 16 and 17*** are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of customers and potential customers arising from conflicts of interest will be prevented, the insurance intermediary or insurance undertaking shall clearly disclose the general nature or sources of conflicts of interest to the customer ***before undertaking business on the customer's behalf.***

Amendment

2. ***An insurance intermediary or insurance undertaking shall maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its customers.***

Where steps taken by the insurance intermediary or insurance undertaking are not sufficient to ensure, with reasonable confidence, that risks of damage to the

interests of customers and potential customers arising from conflicts of interest will be prevented, the insurance intermediary or insurance undertaking shall clearly disclose the general nature **and** sources of conflicts of interest **and the steps taken to mitigate those risks** to the customer.

Amendment 64
Proposal for a directive

Article 23 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The disclosure must:

- (a) be made in a durable medium; and**
- (b) include sufficient details, taking into account the nature of the customer, to enable that customer to take an informed decision with respect to the service in the context of which the conflict of interest arises.**

Justification

It is essential that those sale standards for insurance investment products are consistent, irrespective of whether these products are financial instruments or as insurance investment products. This will help reduce confusion and potential for regulatory arbitrage while strengthening policyholder protection. It is therefore important that the IMD2 text mirrors the MiFID text.

Amendment 65
Proposal for a directive

Article 24 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

- 1a. The implementation of the information requirements contained in Articles 24 and 25 should be proportionate, taking into account whether or not the customer is a**

professional customer as specified in Annex I.

Justification

The proposed changes to Article 24 provides guidance on the application of these articles in regard to professional customers and other amendments to bring the text in line with the current approach in MiFID II.

Amendment 66
Proposal for a directive

Article 24 – paragraph 3 – point a

Text proposed by the Commission

(a) the insurance intermediary or insurance undertaking and its services. When advice is provided, information shall specify whether the advice is provided on an independent basis and whether it is based on a broad or on a more restricted analysis of the market and shall indicate whether the insurance intermediary or insurance undertaking will provide the customer with the *on-going assessment of* the suitability of the insurance product recommended to the customer;

Amendment

(a) the insurance intermediary or insurance undertaking and its services. When advice is provided, information shall specify whether the advice is provided on an independent basis and whether it is based on a broad or on a more restricted analysis of the market and shall indicate whether the insurance intermediary or insurance undertaking will provide the customer with the on-going assessment of *and latest information about* the suitability of the insurance product recommended to the customer;

Justification

An on-going assessment, meaning repeated compulsory advice about the insurance product and its suitability is hardly feasible, whereas providing the latest information about a product or service at the customer's request is a necessary service.

Amendment 67

Proposal for a directive
Article 24 – paragraph 3 – point b

Text proposed by the Commission

(b) insurance products and proposed investment strategies. This should include appropriate guidance on and warnings of

Amendment

(b) insurance products and proposed investment strategies. This should include appropriate guidance on and warnings of

the risks associated with investments in those products or in respect of particular investment strategies; and

the risks associated with investments in those products or in respect of particular investment strategies ***including the risk that there may be no return on, or a loss of the initial investment;*** and

Amendment 68

Proposal for a directive

Article 24 – paragraph 3 – point c

Text proposed by the Commission

(c) costs and associated charges.

Amendment

(c) costs and associated charges. ***Where charges are made on more than one occasion, and of a varying amount, an estimate of the cost will be provided, including when such charges can be expected.***

Amendment 69

Proposal for a directive

Article 24 – paragraph 4

Text proposed by the Commission

4. The information referred to in this Article should be provided in a comprehensible form in such a manner that the customers or potential customers are reasonably able to understand the nature and risks of the specific insurance product that is being offered and, consequently, to take investment decisions on an informed basis. This information may be provided in a standardised format.

Amendment

4. The information referred to in this Article should be provided in a comprehensible form in such a manner that the customers or potential customers are reasonably able to understand the nature and risks of the specific insurance product ***type*** that is being offered and, consequently, to take investment decisions on an informed basis. This information may be provided in a standardised format.

Justification

Consistency with the wording in MiFID II.

Amendment 70
Proposal for a directive

Article 24 – paragraph 5 – point a

Text proposed by the Commission

(a) assess a **sufficiently large number** of insurance products available on the market. The insurance products should be diversified with regard to their type and issuers or product providers and should not be limited to insurance products issued or provided by entities having close links with the insurance intermediary or insurance undertaking; and

Amendment

(a) assess a **range** of insurance products available on the market. The insurance products should be diversified with regard to their type and issuers or product providers and should not be limited to insurance products issued or provided by entities having close links with the insurance intermediary or insurance undertaking; and

Amendment 71
Proposal for a directive

Article 24 – paragraph 5 – point b

Text proposed by the Commission

(b) **not accept or receive fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of the service to customers.**

Amendment

(b) **whether a fee is payable by the customer for the advice;**

Amendment 72
Proposal for a directive

Article 24 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. Member States may impose extra requirements on insurance intermediaries or insurance undertakings who inform the customer that that investment advice is provided on an independent basis.

Amendment 73
Proposal for a directive

Article 24 – paragraph 6

Text proposed by the Commission

Amendment

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 33 concerning measures to ensure that insurance intermediaries and insurance undertakings comply with the principles set out in this Article when carrying on insurance mediation with their customers. Those delegated acts shall specify:

deleted

(a) the nature of the service(s) offered or provided to the customer or potential customer, taking into account the type, object, size and frequency of the transactions; and

(b) the nature of the products being offered or considered including different types of insurance products.

Justification

The mandate and objective of the delegated acts is not defined clearly.

Amendment 74
Proposal for a directive

Article 26 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall ensure that their administrative sanctions and measures are effective, proportionate **and dissuasive**.

1. Member States shall ensure that their administrative sanctions and measures are effective, proportionate, **dissuasive corresponding to the complexity of the product or service**.

Justification

Sanctions should, more explicitly, also be proportionate in relation to the complexity of the products or service being mediated.

Amendment 75
Proposal for a directive

Article 34 – paragraph 5

Text proposed by the Commission

5. A delegated act adopted pursuant to Articles 8, 17, 23, 24 and 25 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or the Council.

Amendment

5. A delegated act adopted pursuant to **Articles** 23 and 25 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or the Council.

PROCEDURE

Title	Insurance mediation (recast)		
References	COM(2012)0360 – C7-0180/2012 – 2012/0175(COD)		
Committee responsible Date announced in plenary	ECON 11.9.2012		
Opinion by Date announced in plenary	IMCO 11.9.2012		
Rapporteur Date appointed	Catherine Stihler 18.9.2012		
Discussed in committee	10.1.2013	20.2.2013	11.4.2013
Date adopted	25.4.2013		
Result of final vote	+: 34	–: 1	0: 0
Members present for the final vote	Adam Bielan, Preslav Borissov, Cristian Silviu Buşoi, Lara Comi, Anna Maria Corazza Bildt, António Fernando Correia de Campos, Vicente Miguel Garcés Ramón, Evelyne Gebhardt, Thomas Händel, Małgorzata Handzlik, Malcolm Harbour, Philippe Juvin, Toine Manders, Franz Obermayr, Phil Prendergast, Mitro Repo, Robert Rochefort, Zuzana Roithová, Heide Rühle, Christel Schaldemose, Andreas Schwab, Catherine Stihler, Róza Gräfin von Thun und Hohenstein, Bernadette Vergnaud		
Substitute(s) present for the final vote	Ashley Fox, Ildikó Gáll-Pelcz, Anna Hedh, Constance Le Grip, Morten Løkkegaard, Pier Antonio Panzeri, Patricia van der Kammen, Kerstin Westphal		
Substitute(s) under Rule 187(2) present for the final vote	Bendt Bendtsen, Seán Kelly, Paul Rübig		