

Product oversight and governance requirements for insurance undertakings and insurance distributors

2017/2854(DEA) - 25/10/2017 - Text adopted by Parliament, single reading

The European Parliament **decided to raise no objections** to the Commission delegated regulation of 21 September 2017 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to product oversight and governance requirements for insurance undertakings and insurance distributors.

As a reminder, [Directive \(EU\) 2016/97](#) on insurance distribution ("IDD") provides an updated harmonised legal framework governing the rules applicable to the distribution of insurance and reinsurance products, including insurance-based investment products. It aims at enhancing protection of consumers and retail investors buying insurance products or insurance-based investment products.

IDD introduces **generalised product oversight and governance (POG)** into EU insurance distribution law. The POG rules will be mainly addressed to manufacturers of insurance products, who will be obliged to operate a POG policy in order to ensure on a continuous basis that all insurance products marketed are appropriate for their specific target market.

The delegated Regulation **specifies the criteria and practical details for the application of the POG rules.**

Given that the delegated regulation should apply from 23 February 2018, the application date of Directive (EU) 2016/97, **Parliament considered that the full use of the three-month scrutiny period available to Parliament would not allow sufficient time for industry** to implement the necessary technical and organisational changes.

Accordingly, Members felt that **swift publication of the delegated regulation in the Official Journal** would allow timely implementation of and legal certainty concerning the provisions applicable to product oversight and governance.

Whilst the deadline for transposition of Directive (EU) 2016/97 should remain 23 February 2018, Parliament asks the Commission to adopt a legislative proposal setting **the application date at 1 October 2018.**