

Comments of the German Insurance Association

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on the **CESR Consultation on technical issues relating to Key Information Document (KID) disclosures for UCITS**

On 29 April 2009, the European Commission published a communication on “packaged retail investment products”. In addition to UCITS funds and structured products the open category of so called “packaged retail investment products” covers also unit-linked life insurance policies. In the communication the European Commission refers explicitly to the “Key Investor Information” (KII) / Key investor document (KID) as a benchmark for other so called packaged retail investment products, such as unit-linked life insurance.

GDV¹ fully supports the aim to provide consumers with a qualitatively high level of pre-contractual information. In Germany, only recently the legal requirements for pre-contractual information in the field of insurance products – i.e. also for unit-linked life policies – have been amended. Against the background of the European Commission’s recent communication, GDV points to the fact that the development of the KII/ KID so far did not target insurance. Therefore, the insurance industry was not involved in the process.

In May 2008 Commissioner McCreevy correctly stated that “differences between products require different metrics for information disclosure”. Given the considerable differences between unit-linked life insurance policies and UCITS funds (e.g. with regard to coverage of biometrical risks, duration of the commitment and regularity of contributions, solvency rules, rights of termination, legal ownership of the funds)² giving identical information on UCITS funds and on unit-linked life insurance to customers would certainly not result in an identical level of information. To the contrary, identical information on different products would be misleading. The importance of product specific information is also highlighted by CEIOPS in its opinion from December 2007.

Brussels, 15.05.2009

Copy to CEIOPS and to the European Commission (DG MARKT H2, G4)

¹ GDV is the umbrella organization of private insurers in Germany. Its 452 member companies with 226.000 employees and trainees offer comprehensive risk protection and provision for both private households as well as for trade, industry and public institutions by means of 431 million insurance contracts. GDV pleads for a regulatory framework which allows insurers to fulfil their tasks in the best possible way.

² For further differences see the European Commission’s Feedback Statement on contributions received from the Call for Evidence on “substitute” retail investment products, March 2008, Page 16-17.

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