

CESR's Guidelines for the transition from the Simplified Prospectus to the Key Investor Information document

The ABI's response to Consultation Paper CESR/10-672

About the ABI

The ABI is the voice of the UK's insurance, investment and long-term savings industry. It has over 300 members, which together account for around 90% of premiums in the UK domestic market.

The UK insurance industry is the third largest in the world and the largest in Europe, helping individuals and businesses protect themselves against the everyday risks they face. It pays out over £230 million per day in pension and life insurance benefits and over £50 million per day in general insurance claims. The industry is an important contributor to the UK's economy: it manages investments of £1.5 trillion, over 20% of the UK's total net worth; employs more than 300,000 people in the UK alone; is the fourth highest contributor of corporation tax; and is a major exporter, with one-fifth of its net premium income coming from overseas business.

1. Do you agree with the proposed general approach in Box 2? Are there any other matters which the guidelines should address?

The ABI agrees with the proposed approach and welcomes the flexibility of the guidelines in allowing firms to decide whether or not to introduce their KIIs simultaneously or phase in their introduction.

2. Do you agree with the proposed treatment of cross-border notifications, fund mergers and master-feeder structures? Are there any other special circumstances which these guidelines should address?

The ABI agrees with the proposed treatment of cross-border notifications, fund mergers and master-feeder structures and does not have any specific comments to make.

3. Are there any circumstances in which these guidelines could be detrimental to consumers?

No, the ABI believes that firms are competent to manage the transition from Simplified Prospectus to KII without any resulting consumer detriment.