

CIRCULAR

10/18 **SEPTEMBER 2018**

OUTLINE

- The Insurance Distribution Directive apply in the EU/EEA from 1st October 2018. This circular explains how the Club will comply with the requirements of the Directive.

TO THE MEMBERS

INSURANCE DISTRIBUTION DIRECTIVE

The Insurance Distribution Directive (IDD) will apply in the EU/EEA from 1st October, replacing the existing Insurance Mediation Directive (IMD) and expanding upon the existing IMD requirements. The IDD introduces new requirements for insurers and intermediaries including:

- Production of an Insurance Product Information Document (IPID)
- Assessment of customers' demands and needs
- Provision of pre-contract information
- Disclosure of the nature and basis of intermediaries' remuneration
- Requirement for intermediaries to have professional indemnity cover of at least €1,250,000 per claim and €1,850,000 in the aggregate

The IDD will apply to all EU/EEA risks written by the UK P&I Club. However, the requirements for production of an IPID, assessment of customers' demands and needs, and provision of pre-contract information only apply to distribution of insurance to consumers, and not to business to business relationships. Therefore, neither the Club nor the Managers will provide these to Members or brokers. Renewal and membership application documents are being updated to provide IDD-compliant remuneration disclosures in respect of the Managers' remuneration. The Managers already hold professional indemnity cover in excess of the IDD requirements.

Members or brokers who have any questions regarding IDD, its implementation and the effect on Members and brokers should contact Paul Knight, the Club's Head of Compliance.

Yours faithfully

THE MANAGERS

For more information

Please contact Paul Knight at paul.knight@thomasmiller.com or via telephone +44 20 7204 2229