



# IAIS

INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

**Public**

## Feedback on public consultation comments on Application Paper on supervising the conduct of intermediaries

Market Conduct Working Group  
Public discussion  
18 October 2016



# Commentators

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- NAIC
- Property & Casualty Insurance Association of America (PCI)
- Global Federation of Insurance Associations (GFIA)
- Centre of Economic Justice (NAIC Consumer Rep)
- Peter Kochenburger (NAIC Consumer Rep)
- World Federation of Insurance Intermediaries (WFII)
- Dutch Association of Insurers
- Insurance Europe
- National Association of Professional Surplus Lines Offices (NAPSLO)

# Key comment themes

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- Some conflicting views on balance, based on different perspectives of different stakeholders
- Is proportionality adequately reflected
- Does the paper go far enough in discussing harmful conflicts of interest – particularly compensation models?
- The paper focuses on intermediaries rather than distribution. All kinds of distribution (including through digital technology) should be considered including
  - respect for a level playing field; regulations being technology neutral
  - how supervisory oversight tools vary by distribution channel

# Key comment themes

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- Need to monitor market outcomes; cannot rely on governance processes for fair consumer outcomes
- Limitations of disclosure to protect consumers, manage conflicts of interest
- When supervisors rely on SROs, need to be more explicit on safeguards and transparency rules that apply
- No showstoppers
- Support expressed both in general terms and for certain of the messages