

Insurance: Conduct of Business

Chapter 6

Product Information



6.-1 Producing and providing product information

Responsibilities for producing and providing information as between insurers and insurance intermediaries: general.....

6.-1.1 **R** An *insurer* is responsible for producing, and an *insurance intermediary* for providing to a *customer*, the information required by this chapter and by the distance communication *rules* (see ■ ICOBS 3.1). However, an *insurer* is responsible for providing information required on mid-term changes, and an *insurance intermediary* is responsible for producing price information if it agrees this with an *insurer*.

6.-1.2 **R** If there is no *insurance intermediary*, the insurer is responsible for producing and providing the information.

6.-1.3 **R** An *insurer* must produce information in good time to enable the *insurance intermediary* to comply with the *rules* in this chapter, or promptly on an *insurance intermediary's* request.

6.-1.4 **R** These general rules on the responsibilities of insurers and *insurance intermediaries* are modified by ■ ICOBS 6 Annex 1 if one of the *firms* is not based in the *United Kingdom*, and in certain other situations.

Responsibility for producing the standardised insurance product information document.....

6.-1.5 **R** The *IPID* must be drawn up by the *manufacturer* of the *policy*.

[Note: article 20(6) of the *IDD*]



6.1 Providing product information to customers: general

6.1.1 **R** [deleted]

6.1.2 **R** [deleted]

6.1.3 **R** [deleted]

6.1.4 **R** [deleted]

Ensuring customers can make an informed decision: the appropriate information rule

- 6.1.5 **R**
- (1) A *firm* must ensure that a *customer* is given appropriate information about a *policy* in good time and in a comprehensible form so that the *customer* can make an informed decision about the arrangements proposed.
 - (2) The information must be provided to the *customer*:
 - (a) whether or not a *personal recommendation* is given; and
 - (b) irrespective of whether a *policy* is offered as part of a package with:
 - (i) a non-insurance product or service (see **ICOBS 6A.3** (Cross-selling)); or
 - (ii) another *policy*.
 - (3) Appropriate information is both objective and relevant information, and includes *IPID information*.
 - (4) Where the *firm* is proposing a *policy* (including if appropriate on *renewal*) 'in good time' means in good time prior to the conclusion of the *policy*.

[**Note:** articles 20(1) first paragraph and 20(4) of the *IDD*]

- 6.1.6** G The appropriate information *rule* applies:
- (1) at all of the different stages of a contract and includes pre-conclusion and post-conclusion, and also when mid-term changes and *renewals* are proposed;
 - (2) in the same way to any *policy*, regardless of whether that *policy* is sold on its own, in connection with another *policy*, or in connection with other goods or services; and
 - (3) to the price of the *policy*.

6.1.6A G [deleted]

What level of information needs to be provided?

- 6.1.6B** R A *firm* must ensure that the level of appropriate information provided takes into account the complexity of the *policy* and the type of *customer*.
 [Note: article 20(4) of the *IDD*]

- 6.1.7** G The level of information required will vary according to matters such as:
- (1) the knowledge, experience and ability of a typical *customer* for the *policy*;
 - (2) the *policy* terms, including its main benefits, exclusions, limitations, conditions and its duration;
 - (3) the *policy's* overall complexity;
 - (4) whether the *policy* is bought in connection with other goods and services including another *policy* (also see ■ ICOBS 6A.3 (cross selling));
 - (5) distance communication information requirements (for example, under the distance communication *rules* less information can be given during certain telephone sales than in a sale made purely by written correspondence (see ■ ICOBS 3.1.14 R)); and
 - (6) whether the same information has been provided to the *customer* previously and, if so, when.

Appropriate information regarding medical condition exclusions in travel insurance policies

- 6.1.7-A** G
- (1) This guidance is relevant to a *firm* when it provides a *consumer* with:
 - (a) a quotation for a *travel insurance policy*; or
 - (b) a statement (provided under ■ ICOBS 5.1.3CR(1)) in respect of a *travel insurance policy* included in a *packaged bank account*.
 - (2) At the same time as it provides the information in (1), the *firm* should:
 - (a) disclose to the *consumer* whether any *medical condition exclusion* can be removed from the *policy* (in whole or in part); and

(b) if so, how, and the terms on which it can be removed.

(3) *Firms* are also reminded of their obligations in ■ ICOBS 5.2.2BR to ensure the *policy* proposed is consistent with the *consumer's* insurance demands and needs.

Appropriate information for commercial customers

6.1.7A

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A *firm* dealing with a *commercial customer*:

- (1) may choose to provide some of or all of the appropriate information in an *IPID* (see ■ ICOBS 6.1.10AR), a *policy summary* or a similar summary if it considers this to be a comprehensible form in which to provide that information; and
- (2) should include the *IPID information* (regardless of whether an *IPID* itself is provided).

6.1.8

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[deleted]

6.1.9

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Cancellation rights do not affect what information it is appropriate to give to a *customer* in order to enable him to make an informed purchasing decision.

6.1.10

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[deleted]

How must IPID information be provided?

6.1.10A

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A *firm*, when dealing with a *consumer* must provide the *IPID information* by way of an *IPID* for each *policy* (other than a *pure protection contract*).

[Note: articles 20(4) and 20(5) of the *IDD*]

6.1.10B

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The *IPID information*:

- (1) needs to be provided on paper or on another *durable medium*;
- (2) in the case of telephone selling, a *firm* may provide the *IPID* in accordance with the distance communication timing requirements and provide the *IPID* to the *customer* immediately after the conclusion of the *policy*,

in accordance with ■ ICOBS 6.6 (Means of communication).

[Note: article 23(7) of the *IDD*]

How must appropriate information other than IPID information be provided?

6.1.10C

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- (1) Appropriate information other than *IPID information* includes, among other matters, any other information required by the appropriate information rule (■ ICOBS 6.1.5R), specific price disclosure requirements (■ ICOBS 6.1.13R), *Solvency II Directive* disclosure requirements

(■ ICOBS 6.2.2R), renewals (■ ICOBS 6.5) and guaranteed assets protection (GAP) products (■ ICOBS 6A.1.4R).

- (2) A *firm* needs to consider the form in which it provides appropriate information (see ■ ICOBS 6.1.5R).
- (3) A *firm* can provide the other information in (1) together with the *IPID* as long as the *IPID* remains a stand-alone document.

[Note: article 20(4) and article 20(7) last paragraph of the *IDD*]

Interaction between information provision requirements and the customer’s best interests rule and Principle 7

6.1.11

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To comply with the *customer’s best interest rule* and *Principle 7* (communication with clients) a *firm* should:

- (1) include consideration of the information needs of the *customers* including:
 - (a) what they need to understand the relevance of any information provided by the *firm*; and
 - (b) at which point in the sales process will the information be most useful to the *customer* to enable them to make an informed decision;

- (2) provide evidence of cover promptly after inception of a *policy*,

taking into account the type of *customer* and the effect of other information requirements, for example, those under the distance communication rules (■ ICOBS 3.1); and

- (3) in relation to a *group policy*, provide appropriate information to the customer, telling the *customer* to pass it on to each *policyholder*.

Under *Principle 7* a *firm* should provide evidence of cover promptly after inception of a *policy*. *Firms* will need to take into account the type of *customer* and the effect of other information requirements, for example those under the distance communication *rules* (■ ICOBS 3.1).

6.1.12

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[deleted]

Renewals

6.1.12A

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[deleted]

6.1.12B

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[deleted]

What additional information must be disclosed for packaged products and other relevant requirements?

6.1.13

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- (1) If a *policy* is bought by a *consumer* in connection with other goods or services a *firm* must, before conclusion of the contract, disclose its

premium separately from any other prices and whether buying the *policy* is compulsory.

(2) In the case of a *distance contract*, disclosure of whether buying the *policy* is compulsory may be made in accordance with the timing requirements under the distance communication *rules* (see ■ ICOBS 3.1.8 R, ■ ICOBS 3.1.14 R and ■ ICOBS 3.1.15 R).

(3) This *rule* does not apply to policies bought in connection with other goods or services provided as part of a *packaged bank account*.

6.1.13A **G** In addition to the requirements in ■ ICOBS 6.1 (Product information) *firms* are reminded that:

(1) when offering a *policy* as part of a *packaged bank account* the *firm* may be subject to the requirements of regulation 13 (payment accounts packages with another product or service) of the *Payment Accounts Regulations*;

(2) ■ ICOBS 6A.3 (Cross-selling) contains *rules* in relation to packages which include both insurance and non-insurance products or services.

6.1.14 **R** [deleted]

6.2 Pre-contract information: general insurance contracts

Application: what?

6.2.1 **R** This section applies in relation to a *general insurance contract*.

Solvency II Directive derived disclosure requirements

6.2.2 **R** Before a *general insurance contract* is concluded, a *firm* must inform a *customer* who is a natural *person* of:

- (1) the law applicable to the contract where the parties do not have a free choice, or the fact that the parties are free to choose the law applicable and, in the latter case, the law the *firm* proposes to choose; and
- (2) the arrangements for handling *policyholders'* complaints concerning contracts including, where appropriate, the existence of a complaints body (usually the *Financial Ombudsman Service*), without prejudice to the *policyholders'* right to take legal proceedings.

[Note: article 183(1) to (2) of the *Solvency II Directive*]

6.2.3 **R** (1) A *firm* which has its head office in the *European Economic Area* must inform a *customer*, before any commitment is entered into, of the state in which the head office or, where appropriate, the branch with which the contract is to be concluded, is situated.

- (2) Any documents issued to the *customer* must convey the information required by this *rule*.

[Note: article 184(1) of the *Solvency II Directive*]

6.2.4 **R** A *firm* which has its head office in the *European Economic Area* must ensure that the contract or any other document granting cover, together with the insurance proposal where it is binding upon the *customer*, states the address of the head office, or, where appropriate, of the branch of the *firm* which grants the cover.

[Note: article 184(2) of the *Solvency II Directive*]

Disclosure of cancellation right

6.2.5

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- (1) A *firm* must provide a *consumer* with information on the right to cancel a *policy*.
- (2) The information to be provided on the right to cancel is:
 - (a) its existence;
 - (b) its duration;
 - (c) the conditions for exercising it;
 - (d) information on the amount which the *consumer* may be required to pay if he exercises it;
 - (e) the consequences of not exercising it; and
 - (f) the practical instructions for exercising it.
- (3) The information must be provided in good time before conclusion of the contract and in writing or another *durable medium*.

Auto-renewal

6.2.6

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- (1) A *firm* must:
 - (a) inform a *consumer* whether the terms and conditions of their *policy* provide for the *policy* to automatically *renew* at the end of the term;
 - (b) provide the *consumer* with an explanation of the effect of automatic *renewal* for them; and
 - (c) provide the *consumer* with information on the right to cancel the automatic *renewal* element of the *policy* at any time.
- (2) The information on the right to cancel the automatic *renewal* element must include:
 - (a) the existence of the right;
 - (b) the conditions for exercising it;
 - (c) the consequences of exercising it; and
 - (d) the practical instructions for exercising it.
- (3) The information in (1) and (2) must be provided:
 - (a) in good time before conclusion of the contract; and
 - (b) in writing or in another durable medium.
- (4) Paragraphs (1) to (3) do not apply in the case of a contract for private health or medical insurance, or pet insurance.

6.2.7

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In the case of a *packaged bank account* ■ ICOBS 5.1.3CR(1A) provides that the information required by ■ ICOBS 6.2.6R should be provided in the eligibility statement.

6.3 Pre- and post-contract information: pure protection contracts

Solvency II Directive derived disclosure requirements

- (1) Before a *pure protection contract* is concluded, a *firm* must communicate, at least, the information in the table below to the customer.
- (2) The information must be provided in a clear and accurate manner, in writing, and in an official language of the *State of the commitment* or in another language if the *policyholder* so requests and the law of the *State of the commitment* so permits or the *policyholder* is free to choose the applicable law.

Information to be communicated before conclusion

- (1) The name of the *insurance undertaking* and its legal form.
- (2) The name of the state in which the head office and, where appropriate, the agency or branch concluding the contract is situated.
- (3) The address of the head office and, where appropriate, of the agency or *branch* concluding the contract.
- (3a) A concrete reference to the *firm's SFCR* allowing the *policyholder* easy access to this information.
- (4)* Definition of each benefit and each option.
- (5)* Term of the contract.
- (6)* Means of terminating the contract.
- (7)* Means of payment of *premiums* and duration of payments.
- (8)* Information on the *premiums* for each benefit, both main benefits and supplementary benefits, where appropriate.
- (9)* Arrangements for application of the cancellation period.
- (10) General information on the tax arrangements applicable to the type of *policy*.
- (11) The arrangements for handling complaints concerning contracts by *policyholders*, *lives assured* or *beneficiaries* under contracts including, where appropriate, the existence of a complaints body (usually the *Financial Ombudsman Service*), without prejudice to the right to take legal proceedings.
- (12) The law applicable to the contract where the parties do not have a free choice or, where the parties are free to choose the law applicable, the law the *firm* proposes to choose.

Note: The *rule* on mid-term changes applies to items marked with an asterisk (see ICOBS 6.3.3 R).

[Note: article 185 of the *Solvency II Directive*]

6.3.2 **G** If the contract is concluded with a *commercial customer* by telephone, the information in this section may be provided immediately after conclusion.

Mid-term changes

6.3.3 **R** A *firm* must keep a *customer* informed throughout the term of a *pure protection contract* of any change concerning the *policy* conditions, both general and special, and any change in the following information:

- (1) the name of the *firm*, its legal form or the address of its head office and, where appropriate, of the agency or branch which concluded the contract; and
- (2) all the information marked '*' in the table of information to be communicated before conclusion, in the event of a change in the *policy* conditions or amendment of the law applicable to the contract.

[Note: article 185(3) and (5) of the *Solvency II Directive*]

6.3.4 **R** When a *firm* provides a *customer* with information in accordance with **ICOBS 6.3.3 R**, it must provide it in a clear and accurate manner, in writing, in an official language of the *State of the commitment*, or in another language if the *policyholder* so requests and the law of the *State of the commitment* so permits or the *policyholder* is free to choose the law applicable.

[Note: article 185(3), (5) and (6) of the *Solvency II Directive*]



6.4 Pre- and post-contract information: protection policies

Application: what?

6.4.1 **R** This section applies in relation to a *payment protection contract* or a *pure protection contract* except as otherwise stated.

Oral sales: ensuring customers can make an informed decision

6.4.2 **R**

- (1) If a *firm* provides information orally during a sales dialogue with a *customer* on a main characteristic of a *policy*, it must do so for all the *policy's* main characteristics.
- (2) A *firm* must take reasonable steps to ensure that the information provided orally is sufficient to enable the *customer* to take an informed decision on the basis of that information, without overloading the *customer* or obscuring other parts of the information.

6.4.3 **G**

- (1) A *policy's* main characteristics include its significant benefits, its significant exclusions and limitations, its duration and price information.
- (2) A significant exclusion or limitation is one that would tend to affect the decision of *customers* generally to buy. In determining what exclusions or limitations are significant, a *firm* should particularly consider the exclusions or limitations that relate to the significant features and benefits of a *policy* and factors which may have an adverse effect on the benefit payable under it. Another type of significant limitation might be that the contract only operates through certain means of communication, e.g. telephone or internet.

Policy summary

6.4.4 **R** A *firm* must provide a *consumer* with a *policy summary* in good time before the conclusion of a *pure protection contract*.

Complaints and compensation information

6.4.4A **R** In relation to a *payment protection contract*, a *firm* must provide a *consumer* with information about:

how the *consumer* can complain to the *insurance undertaking* and that complaints may subsequently be referred to the *Financial*

Ombudsman Service (or other applicable named complaints scheme); and

the *consumer's* entitlement to compensation from the *compensation scheme* (or other applicable compensation scheme), or that there is no compensation scheme, in the event where the *insurance undertaking* is unable to meet its liabilities;

in good time before the conclusion of the *policy*.

Payment protection contracts: importance of reading documentation

6.4.5

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- (1) A *firm* must draw a *consumer's* attention to the importance of reading *payment protection contract* documentation before the end of the cancellation period to check that the *policy* is suitable for the *consumer*.
- (2) This must be done orally if a *firm* provides information orally on any main characteristic of a *policy*.

Price information: general

6.4.6

R

A *firm* must provide price information in a way calculated to enable the *customer* to relate it to a regular budget.

6.4.7

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Price information is likely also to include at least the total *premium* (or the basis for calculating it so that the *customer* can verify it) and, where relevant:

- (1) for *policies* of over one year with reviewable *premiums*, the period for which the quoted *premium* is valid, and the timing of reviews;
- (2) other *fees*, administrative charges and taxes payable by the *customer* through the *firm*; and
- (3) a statement identifying separately the possibility of any taxes not payable through the *firm*.

6.4.8

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Price information should be given in writing or another *durable medium* in good time before conclusion of the contract. This is in addition to any requirement or decision to provide the information orally. In the case of a *distance contract* concluded over the telephone, it may be provided in writing or another *durable medium* no later than immediately after conclusion.

Price information: premiums paid using a non-revolving credit agreement

6.4.9

R

- (1) This *rule* applies when a *premium* will be paid using a credit agreement other than a revolving credit agreement.

- (2) A *firm* must provide price information in a way calculated to enable the *customer* to understand the additional repayments that relate to the purchase of the *policy*, and the total cost of the *policy*.
- (3) Price information must reflect any difference between the duration of the *policy* and that of the credit agreement.
- (4) A *firm* must explain to a *customer*, as applicable, that the *premium* will be added to the amount provided under the credit agreement and that interest will be payable on it.

Price information: policies sold in connection with revolving credit arrangements

6.4.10 G

- (1) This *guidance* applies to *policies* bought as secondary products to revolving credit agreements (such as store cards or credit cards).
- (2) Price information should be given in a way calculated to enable a typical *customer* to understand the typical cumulative cost of taking out the *policy*. This does not require oral disclosure where there is a sales dialogue with a *customer*. However, consistent with *Principle 7*, a *firm* should ensure that this element of price information is not undermined by any information given orally.

Mid-term changes

6.4.11 R

- (1) Throughout the term of a *policy*, a *firm* must provide a *customer* with information about any change to:
 - (a) the *premium*, unless the change conforms to a previously disclosed formula; and
 - (b) any term of the *policy*, together with an explanation of any implications of the change where necessary.
- (2) This information must be provided in writing or another *durable medium* in good time before the change takes effect or, if the change is at the *customer's* request, as soon as is practicable provided the *firm* explains the implications of the change before it takes effect.

6.4.12 G

- (1) When explaining the implications of a change, a *firm* should explain any changes to the benefits and significant or unusual exclusions arising from the change.
- (2) *Firms* will need to consider whether mid-term changes are compatible with the original *policy*, in particular whether it reserves the right to vary *premiums*, charges or other terms. *Firms* also need to ensure that any terms which reserve the right to make variations are not themselves unfair under the *Unfair Terms Regulations* (for contracts entered into before 1 October 2015) or the *CRA*.

6.5 Renewals

Renewals

6.5.1

R

- (1) This section applies when a *firm* proposes to a *consumer* the renewal of a *general insurance contract*, which is not a *group policy*, and which has a duration of 10 months or more.
- (2) In this section, 'renewal' means carrying forward a *policy*, at the point of expiry and as a successive or separate operation of the same nature and duration as the *policy*, with the same *insurance intermediary* or the same *insurer*.
- (3) The *firm* must provide to the *consumer* the following information in good time before the renewal:
 - (a) the *premium* to be paid by the *consumer* on renewal;
 - (b) in a way that is consistent with the presentation of (a) so that they can be easily compared:
 - (i) except where (ii) applies, the *premium* for the *policy* which the *firm* proposes to renew, as set out at the inception of that *policy*;
 - (ii) where one or more mid-term changes were made to the *policy* which the *firm* proposes to renew, an amount calculated by annualising (or otherwise adjusting as appropriate to the duration of the proposed *policy*) the *premium* in effect following the most recent mid-term change, excluding all fees or charges associated with those mid-term changes;
 - (c) a statement alongside (a) and (b) indicating that the *consumer*:
 - (i) should check that the level of cover offered by the renewal is appropriate for their needs; and
 - (ii) is able, if they so wish, to compare the prices and levels of cover offered by alternative providers; and
 - (d) a statement informing the *consumer* whether the contract will automatically renew or whether the *consumer* needs to take action to accept the renewal offer.
- (4) Where the proposed renewal will be the fourth or subsequent renewal the *consumer* has entered into in respect of the *policy*, the *firm* must include the following statement, to appear alongside the matters required by (3)(a), (b) and (c)(i) (but omitting (c)(ii)): "You have been with us a number of years. You may be able to get the insurance cover you want at a better price if you shop around."

6.5.1A

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- (5) The *firm* must communicate the information in (3) and (4):
 - (a) clearly and accurately;
 - (b) in writing or another *durable medium*; and
 - (c) in a way that is accessible and which draws the *consumer's* attention to it as key information.

- (1) When a *firm* proposes to a *consumer* the renewal of a *travel insurance policy*, the *firm* should at the same time:
 - (a) disclose to the *consumer* whether any *medical condition exclusion* can be removed from the *policy* (in whole or in part); and
 - (b) if so, how, and the terms on which it can be removed.
- (2) *Firms* are reminded of their obligations in:
 - (a) ■ ICOBS 6A.4.5R, where one or more of the circumstances set out in ■ ICOBS 6A.4.6R applies in respect of the *policy* proposed on renewal; and
 - (b) ■ ICOBS 5.2.2BR to ensure the *policy* proposed is consistent with the *consumer's* insurance demands and needs.

6.5.2

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A *firm* should have regard to the record-keeping obligations referred to in ■ ICOBS 2.4.1G and ensure that it has appropriate systems and controls in place with respect to:

- (1) the adequacy of its records so it may fulfil its regulatory and statutory obligations; and
- (2) the sufficiency of its records to enable the *FCA* to monitor the *firm's* compliance with the requirements under the *regulatory system*.

6.5.3

G

A *firm* should ensure it complies with the other requirements in *ICOBS* that are relevant, such as providing product information to *customers* (see ■ ICOBS 6.1), including the requirement to provide an *IPID* (see ■ ICOBS 6.1.10AR).



6.6 Means of communication

Means of communication

6.6.1

R

The information in ■ ICOBS 6, unless modified in this chapter, must be given in accordance with ■ ICOBS 4.1A (Means of communication to customers).

[Note: article 23(1) of the *IDD*]

Responsibilities of insurers and insurance intermediaries in certain situations

This annex belongs to ■ ICOBS 6.-1.4R

The table in this annex modifies the general *rules* on the responsibilities of *insurers* and *insurance intermediaries* for producing and providing to a *customer* the information required by this chapter. The table does not include the responsibilities of *insurers* and *intermediaries* for producing the *IPID* (■ ICOBS 6.-1.5R).

Situation	<i>Insurance intermediary's</i> responsibility	<i>Insurer's</i> responsibility
(1) <i>Insurance intermediary</i> operates from <i>UK</i> establishment <i>Insurer</i> does not operate from <i>UK</i> establishment	Production and providing	None
(2) <i>Insurance intermediary</i> does not operate from <i>UK</i> establishment, is not <i>authorised</i> , is selling <i>connected contracts</i> or is <i>authorised professional firm</i> carrying on <i>non-mainstream regulated activities</i> <i>Insurer</i> operates from <i>UK</i> establishment <i>Customer</i> <i>habitually resident</i> in the <i>United Kingdom</i>	None	Production and providing (but for <i>pure protection contracts</i> no <i>policy summary</i> is required unless the <i>insurance intermediary</i> does not operate from a <i>UK</i> establishment)
(3) As (2) but <i>customer</i> <i>habitually resident</i> outside the <i>United Kingdom</i> and <i>insurer</i> not in contact with the <i>customer</i>	None	None
(4) As (2) but <i>customer</i> <i>habitually resident</i> outside the <i>United Kingdom</i> and <i>insurer</i> in contact with the <i>customer</i>	None	Production and providing
(5) <i>Insurance intermediary</i> does not operate from <i>UK</i> establishment <i>Insurer</i> does not operate from <i>UK</i> establishment	None	Production and providing
(6) Where ICOBS 6.5.1R applies	Production and providing, as appropriate, where dealing with a <i>consumer</i> on renewal	Production and providing, as appropriate, where dealing with a <i>consumer</i> on renewal

Policy summary (pure protection contracts and / or commercial customers)

This annex belongs to ■ ICOBS 6.1.7AG and ■ ICOBS 6.4.4 R

1	Format	
1.1	R	(1) A <i>policy summary</i> must be in writing or another <i>durable medium</i> . (2) A <i>policy summary</i> must be in a separate document, or within a prominent separate section of another document clearly identifiable as containing key information that the <i>consumer</i> should read.
1.2	G	The quality and presentation standard of a <i>policy summary</i> should be consistent with that used for other <i>policy</i> documents.
1.3	G	A reference to <i>consumer</i> has the meaning <i>commercial customer</i> if a <i>policy summary</i> is used for the purposes set out in ICOBS 6.1.7AG (appropriate information for commercial customers).
2	Content	
2.1	R	A <i>policy summary</i> must contain the information in the table below and no other information. Policy summary content
		<ul style="list-style-type: none"> • Key facts logo in a prominent position at the top of the <i>policy summary</i>. Further requirements regarding the use of the logo and the location of specimens are set out in GEN 5.1 and GEN 5 Annex 1 G. • Statement that the <i>policy summary</i> does not contain the full terms of the <i>policy</i>, which can be found in the policy document. • Name of the <i>insurance undertaking</i>. • Type of insurance and cover. • Significant features and benefits. • Significant or unusual exclusions or limitations, and cross-references to the relevant policy document provisions. • Duration of the <i>policy</i>. • A statement, where relevant, that the <i>consumer</i> may need to review and update the cover periodically to ensure it remains adequate. • Price information (optional). • Existence and duration of the right of cancellation (other details may be included). • Contact details for notifying a claim. • How to complain to the <i>insurance undertaking</i> and that complaints may subsequently be referred to the <i>Financial Ombudsman Service</i> (or other applicable named complaints scheme). • That, should the <i>insurance undertaking</i> be unable to meet its liabilities, the <i>consumer</i> may be entitled to compensation from the <i>compensation scheme</i> (or other applicable compensation scheme), or that there is no compensation scheme. Information on the extent and level of cover and how further information can be obtained is optional.
2.2	G	A <i>policy summary</i> should properly describe the <i>policy</i> but, in line with <i>Principle 7</i> , should not overload the <i>consumer</i> with detail.

3	Significant or unusual exclusions or limitations	
3.1	G	<p>(1) A significant exclusion or limitation is one that would tend to affect the decision of <i>consumers</i> generally to buy. An unusual exclusion or limitation is one that is not normally found in comparable contracts.</p> <p>(2) In determining what exclusions or limitations are significant, a <i>firm</i> should, in particular, consider the exclusions or limitations that relate to the significant features and benefits of a <i>policy</i> and factors which may have an adverse effect on the benefit payable under it.</p> <p>(3) Another type of significant limitation might be that the contract only operates through certain means of communication, e.g. telephone or internet.</p> <p>Examples of significant or unusual exclusions or limitations</p> <ul style="list-style-type: none"> • Deferred payment periods • Exclusion of certain conditions, diseases or pre-existing medical conditions • Moratorium periods • Limits on the amounts of cover • Limits on the period for which benefits will be paid • Restrictions on eligibility to claim such as age, residence or employment status • Excesses
4	Key features document as an alternative to a policy summary	
4.1	R	<p>A <i>firm</i> may provide a document that has the contents of a <i>key features document</i> instead of a <i>policy summary</i>. The document must include contact details for notifying a claim but need not include the title 'key features of the [name of product]'.</p>

Providing product information by way of a standardised insurance information document:

[**Note:** the *IDD IPID Regulation* is applicable to *IDD insurance intermediaries*, *IDD insurance undertakings* and *IDD ancillary insurance intermediaries*.] This annex belongs to ■ **ICOBS 6.1.10AR.**

1 Effect of provisions marked 'UK'

- 1.1 R (1) Provisions in this section marked "UK" apply in relation to a *firm* to which the *IDD IPID Regulation* is not directly applicable, as if they were *rules*.
- (2) In this annex, a word or phrase found in a provision marked "UK" and referred to in column (1) of the table below has the meaning indicated in the corresponding row of column (2) of the table.
- | (1) | (2) |
|------------------------------|---|
| "Directive (EU) 2016/97" | <i>IDD</i> |
| "durable medium" | <i>durable medium</i> |
| "insurance product" | <i>a policy (other than a pure protection contract)</i> |
| "manufacturer" | <i>manufacturer</i> |
| "non-life insurance product" | <i>a policy (other than a pure protection contract)</i> |
| "shall" | <i>must</i> |

2 What information needs to be contained in the IPID?

- 2.1 R The *IPID* must contain the following information:
- (1) information about the type of insurance;
 - (2) a summary of the insurance cover, including the main risks insured, the insured sum and, where applicable, the geographical scope and summary of excluded risks;
 - (3) the means of payment of premium and the duration of payments;
 - (4) main exclusions where claims cannot be made;
 - (5) obligations at the start of the contract;
 - (6) obligations during the term of the contract;
 - (7) obligations in the event that a claim is made;
 - (8) the term of the contract including the start and end dates of the contract;
 - (9) the means of terminating the contract.
- [**Note:** article 20(8) of the *IDD*]
- 2.2 G A *firm*, when providing the information in the *IPID*, should consider:
- (1) the *rules* and *guidance* on providing appropriate information to *customers* in **ICOBS 6.1**;
 - (2) the order of the information and priority of the information to be provided; and
 - (3) the information needs of the *firm's* typical *customer* for the *policy*.
- 2.3 G A *firm* that manufactures the *policy* should, when drawing up the *IPID*, have regard to the target market and intended distribution strategy.

Name and company logo of the manufacturer

- 2.4 UK 1(1) The name of the *manufacturer* of the non-life insurance product, its regulatory status, and, where relevant, its authorisation number shall immediately follow the title 'insurance product information document' at the top of the first page.
- 2.5 UK 1(2) The *manufacturer* may insert its company logo to the right of the title .

[Note: article 1 of the *IDD IPID Regulation*]

Reference to complete pre-contractual and contractual information

- 2.6 UK 2 The insurance product information document shall state prominently that complete pre-contractual and contractual information about the non-life insurance product is provided to the customer in other documents. That statement shall be placed immediately below the name of the *manufacturer* of the non-life insurance product.

[Note: article 2 of the *IDD IPID Regulation*]

3 How must the IPID be presented and formatted?

- 3.1 R The *IPID* must:
 - (1) be a short and stand-alone document;
 - (2) be presented and laid out in a way that is clear and easy to read, using characters of a readable size;
 - (3) be no less comprehensible in the event that, having been originally produced in colour, it is printed or photocopied in black and white;
 - (4) be written in the official languages, or in one of the official languages, used in the part of the state where the *policy* is offered or, if agreed by the *consumer* and the *insurance distributor*, in another language;
 - (5) be accurate and not misleading;
 - (6) contain the title 'insurance product information document' at the top of the first page;
 - (7) include a statement that complete pre-contractual and contractual information on the product is provided in other documents.

[Note: article 20(7)(a) to (g) of the *IDD*]

Length

- 3.2 UK 3 The insurance product information document shall be set out on two sides of A4-sized paper when printed. Exceptionally, if more space is needed, the insurance product information document may be set out on a maximum of three sides of A4-sized paper when printed. Where a *manufacturer* uses three sides of A4-sized paper, it shall, upon request by the Financial Conduct Authority, be able to demonstrate that more space was needed.

[Note: article 3 of the *IDD IPID Regulation*]

Presentation and order of content

- 3.3 UK 4(1) The information of the insurance product information document listed in Article 20(8) of Directive (EU) 2016/97 shall be presented in different sections and in accordance with the structure, lay-out, headings and sequence as set out in the standardised presentation format in the Annex to this Regulation, using a font size with an x-height of at least 1,2 mm.
- 3.4 UK 4(2) The length of the sections may vary, depending on the amount of information that is to be included in each section. Information about add-ons and optional covers shall not be preceded by ticks, crosses or exclamation marks.

- 3.5 UK 4(3) Where the insurance product information document is presented using a *durable medium* other than paper, the size of the components in the layout may be changed, provided that the layout, headings and sequence of the standardised presentation format, as well as the relative prominence and size of the different elements, are retained.
- 3.6 UK 4(4) Where the dimensions of the *durable medium* other than paper are such that a layout using two columns is not feasible, a presentation using a single column may be used, provided that the sequence of the sections is as follows:
- (a) 'What is this type of insurance?'
 - (b) 'What is insured?'
 - (c) 'What is not insured?'
 - (d) 'Are there any restrictions on cover?'
 - (e) 'Where am I covered?'
 - (f) 'What are my obligations?'
 - (g) 'When and how do I pay?'
 - (h) 'When does the cover start and end?'
 - (j) 'How do I cancel the contract?'
- 3.7 UK 4(5) The use of digital tools, including layering and pop-ups shall be permitted, provided that all the information referred to in Article 20(8) of Directive (EU) 2016/97 is provided in the main body of the insurance product information document and that the use of such tools does not distract the customer's attention from the content of the main document.
- Information provided through layering and pop-ups shall not include marketing or advertising material.
- [Note: article 4 of the *IDD IPID Regulation*]
- Plain language
- 3.8 UK 5 The insurance product information document shall be drafted in plain language, facilitating the customer's understanding of the content of that document, and shall focus on key information which the customer needs to make an informed decision. Jargon shall be avoided.
- [Note: article 5 of the *IDD IPID Regulation*]
- Headings and information thereunder
- 3.9 UK 6(1) The sections of the insurance product information document shall have the following headings and the following information thereunder:
- (a) the information on the type of insurance referred to in Article 20(8)(a) of Directive (EU) 2016/97 shall be included under the heading 'What is this type of insurance?', at the top of the document;
 - (b) the information on the main risks insured referred to in Article 20(8)(b) of Directive (EU) 2016/97 shall be included under the heading 'What is insured?'. Each piece of information listed in this section shall be preceded by a green 'tick' symbol;
 - (c) the information on the insured sum referred to in Article 20(8)(b) of Directive (EU) 2016/97 shall be included under the heading 'What is insured?';
 - (d) the information on geographical scope, where applicable, referred to in Article 20(8)(b) of Directive (EU) 2016/97 shall be included under the heading 'Where am I covered?'. Each piece of information listed in this section shall be preceded by a blue 'tick' symbol;
 - (e) the information on a summary of the excluded risks referred to in Article 20(8)(b) of Directive (EU) 2016/97 shall be included under the heading 'What is not insured?'. Each piece of information in this section shall be preceded by a red 'X' symbol;

- (f) the information on the main exclusions referred to in Article 20(8)(d) of Directive (EU) 2016/97 shall be included under the heading 'Are there any restrictions on cover?'. Each piece of information listed in this section shall be preceded by an orange exclamation mark symbol;
- (g) the information on the relevant obligations referred to in points (e), (f) and (g) of Article 20(8) of Directive (EU) 2016/97 shall be included under the heading 'What are my obligations?';
- (h) the information on the means and duration of payment of premiums referred to in Article 20(8)(c) of Directive (EU) 2016/97 shall be included under the heading 'When and how do I pay?';
- (i) the information on the term of the contract referred to in Article 20(8)(h) of Directive (EU) 2016/97 shall be included under the heading 'When does the cover start and end?';
- (j) the information on the means of terminating the contract referred to in Article 20(8)(i) of Directive (EU) 2016/97 shall be included under the heading 'How do I cancel the contract?'

6(2) The use of sub-headings is permitted, where necessary.

[Note: article 6 of the *IDD IPID Regulation*]

Use of icons

- 310 UK 7(1) Each section shall further be headed by icons that visually represent the content of the respective section heading, as follows:
- (a) the information on the main risks insured referred to in Article 20(8)(b) of Directive (EU) 2016/97 shall be headed by an icon of an umbrella, which shall be white on a green background or green on a white background;
 - (b) the information on the geographical scope of the insurance cover referred to in Article 20(8)(b) of Directive (EU) 2016/97 shall be headed by an icon of a globe, which shall be white on a blue background or blue on a white background;
 - (c) the information on excluded risks referred to in Article 20(8)(b) of Directive (EU) 2016/97 shall be headed by an icon of an X symbol within a triangle, which shall be white on a red background or red on a white background;
 - (d) the information on the main exclusions referred to in Article 20(8)(d) of Directive (EU) 2016/97 shall be headed by an exclamation mark (!) within a triangle, which shall be white on an orange background or orange on a white background;
 - (e) the information on the obligations at the start of the contract, during the term of the contract and in the event that a claim is made, referred to in points (e), (f) and (g) of 20(8) of Directive (EU) 2016/97, respectively, shall be headed by an icon of a handshake, which shall be white on a green background or green on a white background;
 - (f) the information on the means and duration of payments referred to in Article 20(8)(c) of Directive (EU) 2016/97 shall be headed by an icon of coins, which shall be white on a yellow background or yellow on a white background;
 - (g) the information on the term of the contract referred to in Article 20(8)(h) of Directive (EU) 2016/97 shall be headed by an icon of an hourglass, which shall be white on a blue background or blue on a white background;
 - (h) the information on the means of terminating the contract referred to in Article 20(8)(i) of Directive (EU) 2016/97 shall be headed by an icon of a hand with an open palm on a shield, which shall be white on a black background, or black on a white background.
- 311 UK 7(2) All icons shall be displayed in a manner consistent with the standardised presentation format in the Annex.
- 312 UK 7(3) The icons referred to in paragraphs 1 and 2 may be presented in black and white where the insurance product information document is printed or photocopied in black and white.

[Note: article 7 of the *IDD IPID Regulation*]

Template for the standardised presentation format

313 EU ANNEX

Xxxxx Insurance

Insurance Product Information Document

Company: <Name> Insurance Company

Product: <Name> Policy

[Statement that complete pre-contractual and contractual information on the product is provided in other documents]

What is this type of insurance?

[Description of Insurance]



What is insured?

- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx



What is not insured?

- ✗ Xxxxx
- ✗ Xxxxx
- ✗ Xxxxx
- ✗ Xxxxx
- ✗ Xxxxx
- ✗ Xxxxx



Are there any restrictions on cover?

- ! Xxxxx
- ! Xxxxx
- ! Xxxxx
- ! Xxxxx
- ! Xxxxx



Where am I covered?

- ✓ Xxxxxx



What are my obligations?

- Xxxxxx
- Xxxxxx
- Xxxxxx
- Xxxxxx



When and how do I pay?

Xxxxxx



When does the cover start and end?

Xxxxxx



How do I cancel the contract?

Xxxxxx

[Note: Annex to the *IDD IPID Regulation*]

