

## PRESS RELEASE

### FOR IMMEDIATE RELEASE

#### European Parliament's Economic and Monetary Affairs Committee Adopts its Report on the Insurance Mediation Directive

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**BRUSSELS – 22 January 2014** – Today, the Economic and Monetary Affairs (ECON) Committee, the European Parliament's lead committee on the revision of the Insurance Mediation Directive (IMD 2), adopted its Report on the Commission's Proposal.

Eurofinas, the voice of consumer credit providers at European level, and Leaseurope, the voice of the leasing and automotive rental industry in Europe, welcome the fact that the Parliament has maintained a differentiated approach between the different distribution channels, as proposed by the European Commission, providing for a simplified declaration procedure for ancillary insurance intermediaries.

"The European Parliament has agreed to a solution that ensures that ancillary insurance intermediaries are subject to a proportionate framework. A one-size-fits-all approach would have been detrimental to the offering of affordable and commonly used insurance products that consumers use and value. The differentiated approach provides ancillary intermediaries, such as retailers and motor dealers distributing insurance products at the point of sale, with a regulatory framework which is well balanced considering their core activity and the cost, risk and simplicity of the products they distribute" said Eurofinas' and Leaseurope's Director General T. van de Werve.

A number of issues are still to be resolved in future negotiations between the Parliament and the Council in order to achieve greater harmonisation across Europe as well as a workable framework for all intermediaries.

"We are particularly concerned by the envisaged new stringent and time-consuming training requirements for staff of intermediaries. Despite the differentiated approach, a number of intermediaries distributing simple insurance products at the point of sale may be subject to the new requirements. This is not only excessive but also unnecessary in terms of consumer protection. It can only lead to less choice and less convenience for consumers at the point of sale" added van de Werve.

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## Note to the editor

On 3 July 2012, the European Commission adopted for a revision of the Insurance Mediation Directive (IMD 2) The Directive replaces the current Directive 2002/92/EC and is of a minimum harmonisation character, allowing the Member States to apply stricter provisions. With its Proposal, the European Commission wants to achieve greater consumer protection in the insurance sector through the creation of common standards across insurance sales and ensuring a strengthened protection for policyholders.

Before the new Directive can come into force, it must first be adopted by the European Parliament and the Council. The Council is yet to commence its work on the file. It has however been described as a priority for the Greek Presidency.

## About Eurofinas

Eurofinas, the European Federation of Finance House Associations, is the voice of the specialised consumer credit providers in the EU. As a Federation, Eurofinas brings together associations throughout Europe that represent finance houses, specialised banks, captive finance companies of car, equipment, etc. manufacturers and universal banks. The scope of products covered by Eurofinas members includes all forms of consumer credit products such as personal loans, linked credit, credit cards and store cards. Consumer credit facilitates access to assets and services as diverse as cars, studies, furniture, electronic appliances, etc. Eurofinas members financed over 312 billion euro worth of new loans during 2012 with outstandings reaching 828 billion euros at the end of the year.

*In addition to the provision of consumer credit, companies represented by Eurofinas distribute a small number of insurances on an optional basis. These are simple types of insurance coverage that are available to consumers when they conclude a credit agreement. The main categories of insurance distributed by credit providers vary from country to country but generally include the following:*

- *Insurance linked to the asset financed:*
  - o *Guaranteed asset protection (GAP insurance)*
  - o *Motor insurance (Third Party liability [compulsory cover], driver coverage and extended warranty)*
  - o *Legal protection insurance*
  
- *Insurance linked to the loan:*
  - o *Loan protection insurance*

*Hence, Eurofinas represents a specific part of the insurance mediation sector that is very different from the traditional insurance mediation brokerage.*

More information on Eurofinas activities available at [www.eurofinas.org](http://www.eurofinas.org)

## About Leaseurope

As a Federation, Leaseurope brings together 44 associations throughout Europe representing either the leasing, long term and/or short term automotive rental industries. The scope of products covered by Leaseurope's members ranges from hire purchase and finance leases to operating leases of all asset types (automotive, equipment and real estate) and also includes the rental of cars, vans and trucks. It is estimated that Leaseurope represents approximately 92% of the European leasing market.

More information on Leaseurope and its members can be found at [www.leaseurope.org](http://www.leaseurope.org)