The European Union (Insurance Distribution) Regulations 2018

The European Union (Insurance Distribution) Regulations 2018 were signed by the Minister on Wednesday, 27 June 2018. These Regulations transpose the Insurance Distribution Directive or “IDD” into national law and will enter into force on 1 October 2018. This fulfils Ireland’s requirement to transpose the IDD into national law ahead of the transposition deadline of 1 July 2018.

The Department of Finance published the SI - please click here to read it.

The IDD is designed to ensure a level playing field across all participants selling insurance products and revises and updates the EU’s framework for regulating insurers, brokers, agents and other intermediaries (collectively “Distributors”). It replaces the 2002 Insurance Mediation Directive (“IMD”). The IDD regulates the way in which insurance products are designed and sold by Distributors. Like the IMD, the IDD covers the authorisation, passporting arrangements and regulatory requirements for insurance and reinsurance intermediaries. The IDD also introduces requirements in new areas, including product oversight and governance, enhanced information and transparency requirements.

The IDD applies to all insurance products but contains additional requirements for insurance-based investment products.

The IDD replaces the Insurance Mediation Directive which regulated point of sale insurance products. Accordingly, when these Regulations enter into effect they will revoke the European Communities (Insurance Mediation) Regulations 2015 (S.I. No. 13 of 2005), which transposed the Insurance Mediation Directive.

To read the associated press release of the Department of Finance please click here.

Insurance and reinsurance intermediaries should be reminded that they must be ready for compliance by 1 October 2018.

July 2018