



Meeting your needs – Brokers

What is the IMD?

The EC Insurance Mediation Directive (2002.92.EC) was enacted into Irish law on 14 January 2005 when the European Communities (Insurance Mediation) Regulations 2005 came into operation. The IMD sets out the rules for those wishing to undertake insurance (and reinsurance) mediation. Insurance mediation is defined as any activity “involved in proposing or undertaking preparatory work for entering into insurance contracts, or of assisting in the administration and performance of insurance contracts that have been entered into”. Even though previous Directives improved the situation, the European Parliament was still concerned that differences between National provisions created barriers to the taking up of insurance intermediary activities and a new Directive was therefore needed to further improve the functioning of the single market in insurance.

What are Brokers requirements under the IMD?

The EC (Insurance Mediation) Regulations 2005, amongst other things, require that insurance intermediaries:

- are registered with the Irish Financial Regulator.
- should be able to demonstrate a certain level of knowledge and ability
- take steps to protect customers
- hold professional indemnity insurance
- provide certain information to their customers

How is DAS assisting Brokers with fulfilling their requirements?

Providing “certain information” to customers

Section 19 (7) of the IMD states “Before entering into a contract with a customer relating to the provision of a particular insurance product, an insurance intermediary shall, on the basis of information provided by the customer, specify to the customer both the customer’s demands and needs...” DAS has produced a complete set of Demands and Needs statements in the “Products” section of this site to help our Brokers comply with this aspect of the IMD. The Demands and Needs statements can be downloaded in “PDF” format and passed to customers in paper or electronic form.

What is the DMD?

The EC Distance Marketing Directive (2002/65/EC) was enacted into Irish law on 15 February 2005 when the European Communities (Distance Marketing of Consumer Financial Services) Regulations 2004 came into operation. The regulations apply to all distance contracts for the supply of a financial service. That is, contracts where supplier and customer are not in each other’s presence up to and including the time when the contract is “entered into”. The main purposes of the regulations are to encourage



consumer confidence in distance selling and to safeguard freedom of choice. The European Parliament also wants to ensure smooth running of the internal market which requires that consumers are able to negotiate and conclude contracts with a supplier established in other Member States. They feel this will require a high degree of consumer protection.

What are Brokers requirements under the DMD?

The regulations require that suppliers give customers certain pre-contract information “in good time before the consumer is bound by any distance contract or offer” (article 3.1). The information to be provided is:

- The name and address of the supplier
- A description of the main characteristics of the financial service to be provided by the supplier, including any significant exclusions or limitations, and the total price to be paid.
- Confirmation on the minimum duration of the contract, information on the right of withdrawal and if applicable, any early termination rights and penalties.
- Complaints and compensation arrangements.

How is DAS assisting Brokers with fulfilling their requirements?

The Products section of this site contains “Product Summaries” in “PDF” format. These can be given to clients in paper or electronic form and help the Broker fulfill the following DMD obligations:

- A description of the main characteristics of the financial service to be provided by the supplier, including any significant exclusions or limitations.
- Complaints and compensation arrangements.
- Information on the right of withdrawal.