



Institute  
and Faculty  
of Actuaries

# Draft Report on Good Practices on Comparison Websites

EIOPA

Consultation Response

23 September 2013

## **About the Institute and Faculty of Actuaries**

The Institute and Faculty of Actuaries is the chartered professional body for actuaries in the United Kingdom. A rigorous examination system is supported by a programme of continuous professional development and a professional code of conduct supports high standards, reflecting the significant role of the Profession in society.

Actuaries' training is founded on mathematical and statistical techniques used in insurance, pension fund management and investment and then builds the management skills associated with the application of these techniques. The training includes the derivation and application of 'mortality tables' used to assess probabilities of death or survival. It also includes the financial mathematics of interest and risk associated with different investment vehicles – from simple deposits through to complex stock market derivatives.

Actuaries provide commercial, financial and prudential advice on the management of a business' assets and liabilities, especially where long term management and planning are critical to the success of any business venture. A majority of actuaries work for insurance companies or pension funds – either as their direct employees or in firms which undertake work on a consultancy basis – but they also advise individuals and offer comment on social and public interest issues. Members of the profession have a statutory role in the supervision of pension funds and life insurance companies as well as a statutory role to provide actuarial opinions for managing agents at Lloyd's.

**Comments Template on EIOPA-CP 13/017  
Consultation Paper on a Draft Report on Good Practices  
on Comparison Websites**

**Deadline  
23 September 2013  
12:00 CET**

Company name:

Institute and Faculty of Actuaries

Disclosure of comments:

EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential.

Public

*Please indicate if your comments on this CP should be treated as confidential, by deleting the word **Public** in the column to the right and by inserting the word **Confidential**.*

**Please follow the instructions for filling in the template:**

- ⇒ Do not change the numbering in column "Reference", or any other formatting in the file.
- ⇒ Please fill in your comment in the relevant row. If you have no comment on a paragraph, keep the row empty. Please do not delete rows in the table.
- ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below.
  - If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies.
  - If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment relating to the corresponding paragraph.

**Please send the completed template to [CP-13-017@eiopa.europa.eu](mailto:CP-13-017@eiopa.europa.eu), in MS Word Format, (our IT tool does not allow processing of any other formats).**

**For your convenience, the complete list of questions is outlined below:**

Q1. : Are in your view the description and categories of comparison websites outlined in the report complete or would you see any further types or other relevant aspects that have not been captured? If so, please provide further details.

Q2.: Do you agree that "information about the website" as described in the report may be a potential issue for consumer protection? Have all relevant aspects been captured? If not, please provide further details as well as evidence if available.

Q3.: Is in your view the list of good practices related to "information about the website" complete? If not, please provide further details as well as reasoning

Q4.: Do you agree that "market coverage" as described in the report may be a potential issue for consumer protection? Have all relevant aspects been captured? If not, please provide further details as well as evidence if available.

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- Q5.: Is in your view the list of good practices related to “market coverage” complete? If not, please provide further details as well as reasoning
- Q6.: Do you agree that “presentation of information” as described in the report may be a potential issue for consumer protection? Have all relevant aspects been captured? If not, please provide further details as well as evidence if available.
- Q7.: Is in your view the list of good practices related to “presentation of information” complete? If not, please provide further details as well as reasoning.
- Q8.: Do you agree that “criteria used to make the ranking” as described in the report may be a potential issue for consumer protection? Have all relevant aspects been captured? If not, please provide further details as well as evidence if available.
- Q9.: Is in your view the list of good practices related to “criteria used to make the ranking” complete? If not, please provide further details as well as reasoning.
- Q10.: Do you agree that “frequency of updating information” as described in the report may be a potential issue for consumer protection? Have all relevant aspects been captured? If not, please provide further details as well as evidence if available.
- Q11.: Is in your view the list of good practices related to “frequency of updating information” complete? If not, please provide further details as well as reasoning.
- Q12.: Do you agree that “dealing with potential conflicts of interest” as described in the report may be a potential issue for consumer protection? Have all relevant aspects been captured? If not, please provide further details as well as evidence if available.
- Q13.: Is in your view the list of good practices related to “dealing with potential conflicts of interest” complete? If not, please provide further details as well as reasoning.
- Q14.: In your view, is the list of consumer protection-related issues outlined in the report complete? Would you see any other areas to be addressed? If so, please provide further details.
- Q15.: Do you think the order in which the consumer protection related issues are listed is relevant? If so, what order would you recommend?

Reference	Comment	
General Comment	The Institute and Faculty of Actuaries (IFoA) welcomes the opportunity to respond to this consultation paper. We are supportive of EIOPA’s high level aim of promoting transparency, simplicity and fairness for users of online comparison sites for insurance products. We believe that the good practices outlined in the consultation paper are very comprehensive and, therefore, our response is necessarily short.	
Q1.	In reference to your description and categorisation of comparison websites may we draw your attention to the 2011 <a href="#">FSA Guidance on the: selling of general insurance policies</a>	

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	<a href="#">through price comparison websites</a> (page 4), which builds on the activities highlighted by EIOPA paragraph 20, point (ii).	
Q2		
Q3.		
Q4.		
Q5.		
Q6.	<p>EIOPA has asked whether all relevant items have been captured. The IFoA believes that in providing "the customer with the final premium and details of all fees and charges" the customer should also be made aware of any tax that is also payable. Whilst this is arguably implicit in the statement the IFoA believes this point should be made more explicitly.</p> <p>Within the United Kingdom some insurances attract "insurance premium tax" which is paid on top and in proportion to the premium. For investment products the situation is more complex with different taxes paid depending on the product chosen, the individuals personal circumstances and whether the investment return generated takes the form of income or capital gains. The IFoA believes that consumers using comparison tools will need to be given sufficient information to understand the differing tax implications of different products.</p>	
Q7.		
Q8.		
Q9.		
Q10.		
Q11.		
Q12.		
Q13.		
Q14.		
Q15.		