

Key aspects of the IPID requirements

To assist stakeholders in understanding the new IPID requirement, the FCA has developed this frequently asked questions table based on early stakeholder discussions regarding the IPID. The answers are in summary form and reflect FCA’s proposals included in CP17/23.

Question	Summary Answer	Notes and References
What are the timing requirements of the IPID? Will the Distance Marketing Directive (DMD) rules apply?	The IPID is required to be provided prior to the conclusion of the contract and in a durable medium (see the new ICOBS 4.1A). The Distance Marketing Disclosure (DMD) rules set out in ICOBS 3 will apply to the IPID.	IDD Articles 1(4)(c) and 23(7). ICOBS 4.1A (consulted on in CP17/7) ICOBS 3 (distance communications) Our proposed guidance ICOBS 6.1.10C G.
At what point in the sales journey should the IPID be provided in a durable medium? Is the IPID expected to be presented on a price-comparison website result table?	The IPID is required to be provided prior to the conclusion of the contract. Firms should consider at which point in the sales process the information will be most useful to the customer to enable them to make an informed decision. Where appropriate to the sales journey, the IPID may be provided after the click-through from Price Comparison Website (PCW) to insurer or intermediary provided the IPID is still provided prior to conclusion of the contract.	IDD Article 20(5), Article 1(4)(c) and Article 23(7). ICOBS 6.1.8 G Our proposed guidance 6.1.11 G
How does the IPID apply to add-on policies?	An IPID is required for each policy sold. Where an add-on represents a policy in its own right, an IPID for that policy is required. For example, a motor insurance sale with the add-on of legal expenses cover (as a separate policy) would require two IPIDs.	IDD Article 1(4)(c). See also FCA glossary definition of Policy, being ‘a contract of insurance, including one under which an existing liability has already accrued...’ See also PS15/22 and our related guidance on optional covers and add-ons in our expectations and case studies
How should optional covers within a policy be presented?	The draft standards for the IPID state ‘the use of subheadings is permitted, where necessary’ and that ‘... information provided about add-ons and optional covers, if any, shall not be preceded by ticks, crosses or exclamation marks’. As one potential example of presenting optional covers, accidental damage within a contents policy could be included in an IPID under a sub-heading.	Article 5(2) and 7 (2) of the EIOPA Draft Implementing Technical Standards for the IPID. Note: the FCA glossary definition of “add-on” was not used by EIOPA when drafting the IPID Implementing Technical Standards. See also PS15/22 and our related guidance on optional covers and add-ons in our expectations and case studies.

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What information should be considered 'main' information and prioritised for inclusion on the IPID?	<p>The IPID must contain a summary of the main risks covered and a summary of excluded risks. The IPID is limited in length and we expect that firms will need to carefully prioritise information of most importance to consumers.</p> <p>Information obtained as part of the product governance process may be useful when determining the importance of information to consumers.</p> <p>Firms may wish to consider developing more than one IPID per product, in order to reflect to the varying importance of particular product terms to different consumer segments.</p> <p>For example, consumers exposed to flood risks may benefit from a slightly modified IPID emphasising important flood exclusions.</p>	<p>IDD Article 20(8). Our proposed ICOBS 6.1.5 R (3) R and ICOBS 6 Annex 2. FCA proposed guidance ICOBS 6.1.11 G.</p>
How will the IPID impact dispute decisions of the Financial Ombudsman Service (FOS)?	<p>The IPID is just one part of the overall product and contractual information required to be provided to consumers. We believe the IPID should be consistent with the underlying policy terms and work in conjunction with other documents provided.</p> <p>The IPID is required to contain a 'disclaimer' that complete pre-contractual and contractual information about the product is provided in other relevant documents. Firms may wish to consider using their own wording for this disclaimer and reference particular documents provided and the importance of considering them in full.</p> <p>The Financial Ombudsman Service is an independent body which was set up by Parliament to resolve complaints based on what is fair and reasonable in the circumstances of a particular case. The IPID will form part of the evidence to be considered.</p>	<p>IDD Article 20(7)(g). Article 3 of the EIOPA Draft Implementing Technical Standards for the IPID.</p>
How can personalised information like the date and sum insured be incorporated, given the IPID is intended to be a standardised document?	<p>The sum insured, start date and end date of the contract is required to be included within the IPID. Our proposals reflect this requirement. As part of the continuing European transposition of the IPID, the possibility that this personalised information could be incorporated by reference to other documents (such as a quote summary or policy schedule) could be considered. We will consider the outcome of this continuing European work prior to making our final rules.</p>	<p>See IDD Article 20(8) (b) and (h).</p>

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Can the IPID be delivered via website or app?	<p>The IPID will be required to be provided under the new means of communications rules. These rules do permit electronic communication where certain conditions are met.</p> <p>The draft standards for the IPID provide that where the dimensions "...are such that a layout using two columns is not feasible, a presentation using a single column may be used ..., as long as the sequence of the sections..." is as specified.</p> <p>More generally, firms are reminded that information displayed digitally will need to comply with requirements of the IPID regulation, i.e. be set out in a manner consistent with a paper hardcopy of the IPID.</p> <p>We continue to encourage the use of hyperlinks and interactivity where possible to improve consumer communications.</p> <p>Our web page on 'durable medium' explains the origin and intention of the durable medium regime.</p>	<p>IDD Article 23.</p> <p>Article 5 of the EIOPA Draft Implementing Technical Standards for the IPID.</p> <p>See also the new ICOBS 4.1A (means of communication to customers) consulted on in CP 17/7.</p>
Is an IPID required on renewal?	<p>The IPID must be provided prior to conclusion of a contract. This includes where a new contract is concluded at renewal.</p> <p>However, ICOBS 6.1.7G sets guidance in relation to the level of information that is required to be provided and includes consideration of matters such as whether the same information was provided to the customer before (and when).</p>	<p>IDD Article 1 (4) (c) and Article 20 (4). ICOBS 6.1.7G.</p>