

The report should try to further demonstrate the extent of the problem of a lack of cross-border market access for insurance intermediaries and that cross border business is hampered by the current regulations. The section considering problems with IMD1 should specifically address implementation problems. Regarding sanctions, the report should provide an assessment whether the risk that market players would be more inclined to establish themselves in a Member State with a more lenient regime is real given the current low level of cross-border business activities. The report should discuss the issue of sanctions in relation to PRIPS more deeply and it should explain how these measures will interact with the PRIPs regulation initiative.

(2) Clarify which measures will be subject to level 2 measures. In general the report should better explain the structure of the proposals so that it is clear which measures will be subject to further level 2 measures. The report should specify in greater detail what the nature of such level 2 measures would be (perhaps in an annex). Option 2.4, should also be assessed in the section dealing with impacts.

(3) Provide fuller assessment of the impacts on business and SMEs. While the presentation and analysis of the impacts has improved from the earlier versions of the impact assessment, there are a number of aspects that should be further clarified, in particular relating to the estimated economic costs/benefits of the proposals and their impact on SMEs/micros. For example, in relation to the extension of the scope, the report should explain why Option (4) would lessen the costs of Option (3) and the source of the estimate. Furthermore, while noting that no preferred option is declared between mandatory or on request disclosure of remuneration, the report should contain a deeper discussion of the total costs of these two alternatives. In relation to the proposed ban on commissions and provisions on disclosure of remuneration, the report should provide a more in-depth assessment of the likely effects of such measures proposed on the structure of the industry and the sustainability of current business models, especially SMEs. The report should make a better attempt to estimate the range of costs that might be incurred as a consequence of level 2 measures. The consistency of the total cost figures presented in the report should be checked and ensured. Statements that benefits outweigh costs should be corroborated by relevant quantitative evidence (with appropriate caveats where necessary). The report could usefully briefly explain how the benefits of up to 1 trillion EUR only for PRIPS insurances have been derived.

(D) Procedure and presentation

In line with the guidelines on impact assessment, the report should be significantly shortened and more focused on key points and should be reviewed for drafting accuracy. The report should briefly explain how the Board's recommendations have led to changes compared to the earlier draft.

(E) IAB scrutiny process

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| Reference number | MARKT/2012/005 |
| External expertise used | No |
| Date of Board Meeting | Written procedure The present opinion concerns a resubmitted draft IA report. The first opinion was issued on 25 November 2011 and a second opinion was issued on 1 February 2012. |