

Directive (EU) 2016/97 of the European Parliament and of the Council of  
20 January 2016 on insurance distribution (recast) (Text with EEA relevance)

CHAPTER V

**INFORMATION REQUIREMENTS AND CONDUCT OF BUSINESS RULES**

*Article 19*

**Conflicts of interest and transparency**

1 Member States shall ensure that in good time before the conclusion of an insurance contract, an insurance intermediary provides the customer with at least the following information:

- a whether it has a holding, direct or indirect, representing 10 % or more of the voting rights or of the capital in a given insurance undertaking;
- b whether a given insurance undertaking or parent undertaking of a given insurance undertaking has a holding, direct or indirect, representing 10 % or more of the voting rights or of the capital in the insurance intermediary;
- c in relation to the contracts proposed or advised upon, whether:
  - (i) it gives advice on the basis of a fair and personal analysis;
  - (ii) it is under a contractual obligation to conduct insurance distribution business exclusively with one or more insurance undertakings, in which case it is to provide the names of those insurance undertakings; or
  - (iii) it is not under a contractual obligation to conduct insurance distribution business exclusively with one or more insurance undertakings and does not give advice on the basis of a fair and personal analysis, in which case it is to provide the names of the insurance undertakings with which it may and does conduct business;
- d the nature of the remuneration received in relation to the insurance contract;
- e whether in relation to the insurance contract, it works:
  - (i) on the basis of a fee, that is the remuneration paid directly by the customer;
  - (ii) on the basis of a commission of any kind, that is the remuneration included in the insurance premium;
  - (iii) on the basis of any other type of remuneration, including an economic benefit of any kind offered or given in connection with the insurance contract; or
  - (iv) on the basis of a combination of any type of remuneration set out at points (i), (ii) and (iii).

2 Where the fee is payable directly by the customer, the insurance intermediary shall inform the customer of the amount of the fee or, where that is not possible, of the method for calculating the fee.

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**Status:** EU Directives are being published on this site to aid cross referencing from UK legislation. After IP completion day (31 December 2020 11pm) no further amendments will be applied to this version.

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3 If any payments, other than the ongoing premiums and scheduled payments, are made by the customer under the insurance contract after its conclusion, the insurance intermediary shall also make the disclosures in accordance with this Article for each such payment.

4 Member States shall ensure that in good time before the conclusion of an insurance contract, an insurance undertaking communicates to its customer the nature of the remuneration received by its employees in relation to the insurance contract.

5 If any payments, other than the ongoing premiums and scheduled payments, are made by the customer under the insurance contract after its conclusion, the insurance undertaking shall also make the disclosures in accordance with this Article for each such payment.