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EIOPA Issues Document regarding its Approach to the Supervision of Product Oversight and Governance

Background

One of the objectives of Product Oversight and Governance (POG) requirements is to ensure that the interests of customers are placed at the forefront of a product's design and subsequent distribution all throughout the product's lifecycle.

These regulatory requirements therefore ensure that insurance undertakings and intermediaries which act as manufacturers and/or distributors retain this 'customer-centric' approach. POG can be used as a tool to address product-related risks and issues while providing manufacturers and distributors with the ability to identify and mitigate such risks. This will in turn result in good consumer outcomes, meaning that developed products are aligned with the demands and needs of a specific target market.

Publication of EIOPA Document on its Approach to Supervision of POG

The European Insurance and Occupational Pensions Authority (EIOPA) has issued a document to convey to insurance undertakings acting as manufacturers and/or distributors of insurance products an outline of its supervisory approach to POG requirements.

The document offers an overview of various aspects related to the supervision of POG, namely the

- Development and implementation of adequate systems and controls for POG processes
- Processing and procedures to perform target market assessments
- Appropriate product testing with regards to complexity and suitability for customers' demands and needs
- Distribution strategies that are considerate of target markets and respective product characteristics
- Monitoring and reviewing of products either ad hoc or at appropriate intervals

EIOPA's full publication regarding its approach to the supervision of POG can be found [here](#).

As part of its ongoing supervisory process, the MFSA will also be monitoring the adherence of insurance undertakings and intermediaries with the applicable requirements in this area and this document can be of support and guidance when such entities are implementing their own POG policies.

Contacts

Any queries on this circular should be addressed to csuinsurance@mfsa.mt.