



Instituto de Seguros de Portugal

FMA

15. Sep. 2010

FINANCIAL MARKET AUTHORITY (FMA)
Heiligkreuz 8, P.O. Box 279
LI-9490 VADUZ
LIECHTENSTEIN

Sua Referência:

Sua Data:

Nossa Referência:

545/10/CRT/DAR/M/DSP/V1
PROC/786/10/DAR/M

Data de Expedição:

09-09-2010

Re: Beginning of insurance mediation business on freedom of services basis in Portugal, in accordance with the Directive 2002/92/CE

Dears Sirs,

According to the article 6 numbers 1 and 3 of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation, we acknowledge the reception of your letter communicating us that the insurance intermediaries referred in the attached list intend to begin the insurance mediation business on freedom of services basis in Portugal.

We kindly ask you to forward to those insurance intermediaries the following information related to the conditions under which, in the interest of general good, the insurance mediation business shall be:

A. General obligations

The insurance intermediary has the following general obligations:

- a) Sign contracts in the name of the insurance undertaking only when the latter has conferred the necessary written powers;
- b) Not assume coverage of risks in his own name;
- c) Comply with the legal and regulatory requirements applying to the insurance activity and to the activity of insurance mediation and not intervene in contracts that stand in breach of these requirements;
- d) Assist correctly and efficiently the insurance contracts in which intervenes;
- e) Pursue best efforts in order to prevent inexact or incomplete declarations by the policyholder and situations which stand in breach or constitute cases of fraud against the law or which indicate situations of money laundering;
- f) Keep professional confidentiality in relation to third parties concerning facts that he became aware of as a result of exercise of his activity;
- g) Exhibit the registration certificate as intermediary insurance whenever any interested party so requests;
- h) Maintain a register of the insurance contracts in which he acts as an intermediary, together with the elements and information required for prevention of money laundering.

B. Obligations in relation to insurance undertakings and other insurance intermediaries

The insurance intermediary has the following obligations in relation to insurance undertakings and other intermediaries that intervene in the contract:

- a) Provide information on the risks to be covered and their specific aspects;
- b) Provide information on changes of risks that have already been covered that the insurance intermediary becomes aware of and which may influence the contract's conditions;
- c) Provide accounts in accordance with legally and contractually established terms;
- d) Act with loyalty;
- e) Provide information on all facts that he becomes aware of and which may have an influence on the regularization of claims.

C. Obligations in relation to customers

The insurance intermediary has the following obligations in relation to the customer:

- a) Provide information, under the terms established by law and the respective regulations, of the rights and obligations arising from signature of the insurance contracts;
- b) Provide correct and detailed advice in accordance with the required by the respective category of intermediary, on the most convenient modality of the contract from the perspective of risk transfer or of the investment;
- c) Not practise any acts related to an insurance contract without first informing the respective policyholder and obtaining his agreement;
- d) Promptly transmit to the insurance undertaking all information that the policyholder requests within the framework of the insurance contract;
- e) Provide the policyholder with all clarifications related to the insurance contract, during its execution and during the period in which conflicts derived thereof remain pending;
- f) Not make use of any other profession or position that the insurance intermediary exercises in order to constrain the customer's negotiating freedom;
- g) Not impose the obligation to sign an insurance contract with a specific insurance undertaking as a condition to the customer gains access to another good or service supplied.

D. Special Information obligations

1. Prior to the conclusion of any initial insurance contract, and, if necessary, upon amendment or renewal thereof, an insurance intermediary shall provide the customer with at least the following information:
 - a) His identity and address;
 - b) The register in which he has been included, the register date and the means for verifying that he has been registered;
 - c) Whether he has a holding, direct or indirect, representing more than 10 % of the voting rights or of the capital in a given insurance undertaking;



- d) Whether a given insurance undertaking or parent undertaking of a given insurance undertaking has a holding, direct or indirect, representing more than 10 % of the voting rights or of the capital in the insurance intermediary;
 - e) Whether or not he is authorized to receive premiums in order to be delivered to the insurance undertaking;
 - f) Whether his intervention terminates upon signature of the insurance contract or whether his intervention involves the provision of assistance during the period of validity of the insurance contract;
 - g) Where applicable, his capacity as an employee of an insurance undertaking;
 - h) The customer's right to request information on the remuneration that the intermediary will receive for provision of the mediation service and, in conformity, supply him with such information, at his request;
 - i) The procedures allowing policyholders and other interested parties to register complaints against insurance intermediaries and the out-of-court complaint and redress procedures.
2. In addition, an insurance intermediary shall inform the customer, concerning the contract that is provided, whether:
- a) He gives advice based on the obligation to provide a fair analysis, in which case he is obliged to give that advice on the basis of an analysis of a sufficiently large number of insurance contracts available on the market, to enable him to make a recommendation, in accordance with professional criteria, regarding which insurance contract would be adequate to meet the customer's needs; or
 - b) He is under a contractual obligation to conduct insurance mediation business exclusively with one or more insurance undertakings or other insurance intermediaries, as well as informing the customer about his right to request information concerning the names of the insurance undertakings and insurance intermediaries with whom he conducts business and, in conformity, supplying him with such information at the customer's request; or
 - c) He is not under a contractual obligation to conduct insurance mediation business exclusively with one or more insurance undertakings or insurance intermediaries and does not give advice based on the obligation to provide a fair analysis, informing the customer about his right to request information concerning the names of the insurance undertakings and insurance intermediaries with whom he conducts business and, in conformity, supplying him with such information at the customer's request;
 - d) If other insurance intermediaries intervene in the contract, identifying them.
3. Prior to the conclusion of any specific contract, the insurance intermediary shall at least specify, in particular on the basis of information provided by the customer, and the complexity of the insurance contract being proposed, the demands and the needs of that customer as well as the underlying reasons for any advice given to the customer on a given insurance product.
4. This information shall not be given whenever the insurance intermediary involves the insurance of large risks.

5. All the information afore-mentioned to be provided to the customers should be communicated:

a) On paper or another durable medium available and accessible to the consumer.

Durable mediums include in particular floppy discs, CDROMs, DVDs and the hard drive of the consumer's computer on which the electronic mail is stored, but they do not include Internet websites unless they fulfil the criteria contained in the definition of a durable medium, that is addressed personally to him, in such a manner that it may be subsequently consulted during a period suitable for the purpose of such information and which enables exact reproduction of the stored information.

However, the information may be provided orally where the customer requests it, or where immediate cover is necessary. In those cases, the information shall be provided to the customer in paper or any other durable medium, immediately after the conclusion of the insurance contract.

b) In a clear and accurate manner, comprehensible to the customer.

c) In an official language of the Member State of the commitment or in any other language agreed by the parties.

6. In case of selling anyone over the phone or the use any other mean of distance communication, all information shall comply the legal regime applicable concerning the distance marketing of consumer financial services. Moreover, information shall be provided to the customer on paper or another durable medium available and accessible to the consumer in good time before the consumer is bound by any distance contract or offer.

E. Obligations in relation to the Instituto de Seguros de Portugal

The insurance intermediary has the following obligations in relation to the Instituto de Seguros de Portugal:

a) Provide, within the established deadlines, all clarifications that are necessary for pursuit of its supervisory functions;

b) Inform the ISP in relation to all changes to information previously provided in compliance with legal or regulatory requirements, within a 30-days deadline counted from the date of verification of these changes.

Yours sincerely,

DEPARTAMENTO DE AUTORIZAÇÕES E REGISTO


Vicente Mendes Godinho
Director Coordenador



Instituto de Seguros de Portugal

ANNEX I
545/10/CRT/DAR/M/DSP/V1

| Name/Firm Name | Reg. Number |
|----------------|-------------|
| EPIVEST AG | 10 046 |