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*Association of Mortgage Intermediaries' response to HM Treasury consultation:  
Transposition of the Insurance Distribution Directive*

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This response is submitted on behalf of the Association of Mortgage Intermediaries (AMI). AMI is the trade association representing over 80% of UK mortgage intermediaries.

Intermediaries active in this market act on behalf of the consumer in selecting an appropriate lender and product to meet the individual consumer's mortgage requirements. Our members also provide access to associated protection products.

Our members are authorised and regulated by the Financial Conduct Authority (FCA) to carry out mortgage and insurance mediation activities. Firms range from sole traders through to national firms and networks, with thousands of advisers.

## Questions

**Q1. Do you agree with continuing to regulate life and liability products sold as an add-on to a non-insurance product? If not, which such products do you believe should not be regulated?**

We agree that if life cover are mis-sold there would be significant consumer detriment. We therefore agree that life and liability products sold as an add-on to a non-insurance product should continue to be regulated.

**Q2. Do you agree to extend the existing exemption for insurance products sold as an add-on to cover 'non-use of services' products? If not, do you have evidence of consumer detriment which would warrant their regulation?**

No comment.

**Q3. Are there complex insurance products provided as an add-on to a good or service (except those in relation to travel) that should be brought into scope of regulation? What potential is there for consumer detriment in relation to these products?**

No comment.

**Q4. Do you agree with removing the caveat that products must have a term of less than 5 years to qualify for the connected contracts exemption? If not, which such products introduce a significant risk of consumer detriment?**

No comment.

**Q5. Do you agree with increasing the threshold for premiums below which products are eligible for the connected contracts exemption?**

No comment.

**Q6. Do you agree insurance products sold as an add-on to travel products/services should continue to be regulated?**

No comment.

**Q7. Do you agree that all motor warranties which are contracts of insurance should remain subject to regulation by the FCA?**

No comment.

**Q8. Do you agree that firms who merely provide information in relation to insurance products or potential policyholders should no longer be regulated? If not, what risks of consumer detriment arise from these activities?**

We agree, provided that the regulatory guidance for firms is clear to ensure that this could not be circumvented to the detriment of consumers.

**Q9. Do you agree that where firms do more than just provide information in order to conclude an insurance contract, e.g. attempting to persuade a customer, these activities should remain in scope of regulation? How will firms be regulated?**

We agree.

**Q10. Do you have any comments on the draft statutory instrument in Annex B which set out the requirements of the appropriate UK regulator with respect to the determination of applications and in the event of it taking supervisory action?**

No.

**Q11. Do you have any comments on the draft statutory instrument in Annex B setting out amendments, required by IDD, to the processes for UK firms intending to exercise passporting rights in the EEA?**

No.

**Q12. Do you have any comments on the draft statutory instrument in Annex B setting out the UK regulator's powers to intervene with respect to an EEA firm, operating under the freedom to provide services, contravening the Directive?**

No.

**Q13. Do you have any comments on the draft statutory instrument in Annex B setting out the UK regulator's powers to intervene with respect to an EEA firm, operating in the UK under the freedom of establishment, contravening the Directive?**

No.

**Q14. Do you have any comments on the draft statutory instrument in Annex B giving the appropriate UK regulator powers to enter into Article 7 agreements with regulators in EEA member states?**

No.

**Q15. Do you have any comments on the draft statutory instrument in Annex B that set out the circumstances in which the appropriate UK regulator is required to publish details of any Article 7 agreements it enters into?**

No.

**Q16. The government would welcome views on this Regulatory Impact Assessment. It would be helpful to receive views on both the costs and benefits to businesses and consumers of the proposed amendments to legislation. The government would also be grateful if respondents were able to monetise, wherever possible, these costs and benefits.**

No comment.