

President of the European Commission
Dr. Ursula von der Leyen, M.P.H.
European Commission
Rue de la Loi 200
B-1049 Brussels
Belgium

26.04.2023

Dear President,
dear Dr. von der Leyen,

We, the Bundesverband Deutscher Versicherungskaufleute e.V. (BVK) and the Bundesverband Deutscher Versicherungsmakler e.V. (BDVM) would like to express some concerns about the possible ban on commissions.

The Bundesverband Deutscher Versicherungskaufleute e.V. (BVK, Federal Association of German Insurance Intermediaries) represents the interests of self-employed intermediaries of insurance companies. We speak for more than 40.000 intermediaries of different distribution channels (i.e. agents, brokers and multiagents).

The Bundesverband Deutscher Versicherungsmakler e.V. (BDVM; Federal Association of German Insurance Brokers) was founded in 1918 and today represents over 800 insurance broker companies with more than 12.000 employees. The members have established an extensive Code of Conduct for themselves – the requirements for association membership go far beyond the legal requirements for the admission to provide insurance intermediation. The scope of the member companies ranges from big internationally operating industry insurance brokers to medium and small-sized companies which are also active in the field of commercial and retail customers.

The European Commission is expected to propose its Retail Investment Strategy (RIS) on 3 May 2023 in the framework of the Capital Markets Union.

As representatives of insurance/financial Intermediaries /Brokers/Agents, we believe that the Retail Investment Strategy provides a crucial opportunity to improve European retail investors' participation in capital markets. The intermediaries we represent can contribute towards that objective.

We understand from publicly available information that Commissioner for financial services, financial stability and Capital Markets Union, Mrs. McGuinness, is assessing different policy options to improve that retail investor participation, including intervening on the current coexistence of fee-based and commission-based advice and introducing a complete and overall ban on commissions in all EU member states for the distribution of IBIPs and MiFID II products.

In our national market, thanks to the rather recently introduced national rules based upon IDD and MiFID II, consumers have transparent choice between highly regulated and supervised models to pay for the advice and services of intermediaries. This system allows all consumers to have access to services and advice from intermediaries for pensions, savings, investments and insurance-based investments.

We are of the opinion that such a ban would not be proportionate and would not respect the specificities and/or differences between the various EU markets and investment products. Such a ban would create an advice gap for many consumers – in particular for smaller savers.

From an economic perspective, overall, there exists no system which is preferable in all circumstances and the co-existence of various remuneration systems, and, in particular, the freedom to decide on a transparent basis about the remuneration systems between the parties, is the best guarantee for competitive, efficient and dynamic markets that work for the consumer.

We send you attached a summary of other arguments, and we would be pleased and honoured to have a meeting with your Cabinet to further explain our concerns and arguments.

Thank you very much for your kind attention.

Yours sincerely,



Michael H. Heinz
President BVK



Thomas Haukje
President BDVM

Attachment