

Translation of Liechtenstein Law

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Insurance Distribution Ordinance (VersVertV)
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Pursuant to Article 11(4), Article 14(6), Article 47(2), Article 56(2), and Article 86 of the Insurance Distribution Act (VersVertG) of 5 December 2017, LGBL 2018 No. 9, the Government issues the following Ordinance:

I. General provisions

Article 1

Object and purpose

1) Implementing the Act, this Ordinance governs the details of insurance distribution, in particular:

- a) the content and publicity of the register of insurance intermediaries, reinsurance intermediaries, and ancillary insurance intermediaries (hereinafter "intermediaries");
- b) the professional requirements for insurance and reinsurance distributors;
- c) the information requirements for insurance distributors.

2) This Ordinance serves to implement Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (OJ L 26, 2.2.2016, p. 19).

Article 2

Designations

The terms designating persons, professions, and functions in this Act shall apply to both female and male genders.

II. Register

Article 3

Content of the register

The following information about the intermediary shall be entered in the register referred to in Article 11 of the Act:

- a) name or company name;
- b) address;
- c) category of person (legal person, sole proprietorship, or natural person);
- d) registration number;
- e) date of first register entry;
- f) category of intermediary (broker or agent);
- g) classes of insurance in which the intermediary operates;
- h) reinsurance distribution activity;
- i) countries in which the intermediary operates under the right of establishment and/or the freedom to provide services;
- k) where applicable, the name, registration number, and date of first registration of the bodies responsible for insurance distribution;
- l) where applicable, name, registration number, and date of first registration of employees working directly in insurance distribution.

Article 4

Publicity of the register

- 1) The data entered in the register shall be public.
- 2) The FMA shall make the data accessible for free on its website.

3) The FMA shall issue register extracts and certifications against payment of a fee.

4) Register extracts and certifications for official use shall be issued free of charge.

Article 5

Retention

1) The data entered in the register and included in the deleted entries in accordance with Article 11(3) of the Act may be removed after a period of ten years.

2) Paper files may be destroyed ten years after the deletion of the entry.

III. Professional requirements

A. Professional qualifications

Article 6

Principle

1) As evidence of the required professional knowledge and competence as referred to in the Annex to the Act (Article 14 of the Act), the FMA shall be presented with the following:

- a) evidence of successful completion of a professional training recognised by the FMA;
- b) a certificate of training or qualification recognised by another EEA Contracting Party or Switzerland;
- c) evidence of an uninterrupted self-employed or employed five-year principal activity in insurance distribution; or
- d) in the case of agents who work exclusively for an insurance or reinsurance undertaking and for whom a statement of unlimited liability pursuant to Article 17(4)(b) of the Act has been presented, evidence of:
 1. uninterrupted self-employed or employed three-year principal activity in insurance distribution; or

2. successful completion of in-house training in insurance distribution.

2) In the cases referred to in paragraph 1(c) and (d), the distribution activity may not have taken place more than eight years before, calculated from the date on which the complete application is submitted to the FMA.

3) The FMA shall publish on its website a list of the professional training recognised by the FMA.

Article 7

Ancillary insurance intermediaries

1) In order to pursue activities as an ancillary insurance intermediary, evidence of knowledge and competence in the following areas must be provided to the FMA:

- a) the provisions of the Act applicable to ancillary insurance intermediaries;
- b) the products to be distributed, including terms and conditions; and
- c) claims and complaints handling.

2) Article 6 applies *mutatis mutandis* to evidence of professional qualifications as referred to in paragraph 1, with the proviso that the provisions relating to principal activity in insurance distribution are not applicable.

B. Professional training and development

Article 8

Professional training and development requirement

1) In order to maintain the necessary professional qualifications, persons referred to in Article 14(2) of the Act must undergo continuing professional development of 15 hours per calendar year.

2) Up to five hours of professional training or development exceeding the minimum set out in paragraph 1 may be carried over to the following calendar year.

3) The professional training and development requirement shall commence:

- a) for persons working for an intermediary, in the calendar year following entry in the register;
- b) for persons working for an insurance or reinsurance undertaking, in the calendar year following the taking up of activities.

4) For ancillary insurance intermediaries, the minimum duration referred to in paragraph 1 shall be five hours per calendar year. Paragraphs 2 and 3 apply *mutatis mutandis* with the proviso that at most 1 2/3 hours may be carried over to the following calendar year.

Article 9

Requirements in terms of content

1) The content of the professional training or development must be specific to the field of activity and be guided by:

- a) the products distributed;
- b) the markets in question;
- c) the category of insurance distributors; and
- d) the tasks performed by the insurance distributor.

2) In addition, it must be ensured that the learning contents have a balanced diversification among different topics specific to insurance and insurance distribution.

Article 10

Professional training and development offerings

1) Professional training and development may be completed in particular within the framework of courses, specialist seminars, conferences, and e-learning offerings.

2) Persons who work exclusively for an insurance or reinsurance undertaking in the form of an agent, as well as management bodies and employees of insurance and reinsurance undertakings, may also undergo in-house professional training and development, provided that these meet the requirements in terms of content set out in Article 9.

3) Events relating to the introduction of new products and pricing shall not be considered professional training or development.

Article 11

Evidence of professional training and development

1) The intermediaries shall provide evidence of fulfilment of the requirements set out in Article 8 within the framework of the annual reporting referred to in Article 68 of the Act.

2) The evidence pursuant to paragraph 1 must contain a confirmation of participation issued by the organiser or provider. This confirmation must contain the following minimum content:

- a) participating person;
- b) institution providing the training or development;
- c) learning content;
- d) number of hours;
- e) date of the training or development.

C. Obligation of insurance and reinsurance undertakings

Article 12

Principle

Insurance and reinsurance undertakings shall ensure that their management bodies responsible for distribution and their employees directly involved in distribution fulfil the requirements set out in Articles 6 and 8.

IV. Information requirements

Article 13

Form of provision of information

1) All information to be provided in accordance with Articles 37 to 45 and 51 of the Act shall be communicated to the customer:

- a) on paper;
- b) in a clear and accurate manner, comprehensible to the customer;

- c) in the official language of the EEA Contracting Party in which the risk is situated or of the EEA Contracting Party of the commitment or in any other language agreed upon by the parties; and
- d) free of charge.

2) By way of derogation from paragraph 1(a) the information may be provided to the customer on one of the following media:

- a) a durable medium other than paper, where the conditions laid down in paragraph 4 are met; or
- b) a website where the conditions laid down in paragraph 5 are met.

3) Where the information is provided using a durable medium other than paper or by means of a website, a paper copy shall be provided to the customer upon request and free of charge.

4) The information may be provided using a durable medium other than paper if the following conditions are met:

- a) the use of the durable medium is appropriate in the context of the business conducted between the insurance distributor and the customer; and
- b) the customer has been given the choice between information on paper and on a durable medium, and has chosen the latter medium.

5) The information may be provided on a website if it is addressed personally to the customer or if:

- a) the provision of that information on a website is appropriate in the context of the business conducted between the insurance distributor and the customer;
- b) the customer has consented to the provision of that information by means of a website;
- c) the customer has been notified electronically of the address of the website, and the place on the website where that information can be accessed; and
- d) it is ensured that that information remains accessible on the website for such period of time as the customer may reasonably need to consult it.

6) For the purposes of paragraphs 4 and 5, the provision of information using a durable medium other than paper or by means of a website shall be regarded as appropriate in the context of the business conducted between the insurance distributor and the customer if there is evidence that the customer has regular access to the internet. The

provision by the customer of an e-mail address for the purposes of that business shall be regarded as such evidence.

7) In the case of telephone selling, the information given to the customer by the insurance distributor prior to the conclusion of the contract, including the non-life insurance product information document as referred to in Article 43 of the Act, shall be provided in accordance with the provisions of the Law on Distance Marketing of Consumer Financial Services. Moreover, even if the customer has chosen to obtain the information on a durable medium other than paper in accordance with paragraph 4, information shall be provided to the customer in accordance with paragraph 1 or paragraph 2 immediately after the conclusion of the insurance contract.

8) This article, with the exception of paragraph 2(b) and paragraph 5, applies to the suitability statement referred to in Article 56(2) of the Act.

Article 14

Documentation requirement relating to the fulfilment of information requirements and conduct of business rules

Insofar as the Act or this Ordinance does not contain any special provisions governing the provision of information and documentation in relation to the information requirements and conduct of business rules, insurance distributors shall document their activities in writing to the extent appropriate.

V. Final provisions

Article 15

Provisions for the implementation of European law

The provisions for the implementation of Directive (EU) 2016/97 as referred to in Article 90 of the Act are enumerated in the Annex.

Article 16

Repeal of law hitherto in force

The Ordinance of 27 June 2006 on Insurance Mediation (Insurance Mediation Ordinance; VersVermV), LGBL 2006 No. 136, as amended, is repealed.

Article 17

Entry into force

1) Subject to paragraph 2, this Ordinance shall enter into force on 1 October 2018.

2) Article 1(2) shall enter into force at the same time as the Decision of the EEA Joint Committee incorporating Directive (EU) 2016/97.

The Government:
signed *Dr. Daniel Risch*
Deputy Prime Minister

Annex
(Article 15)

**Provisions for the implementation of
Directive (EU) 2016/97**

1. Commission Implementing Regulation (EU) 2017/1469 of 11 August 2017 laying down a standardised presentation format for the insurance product information document (OJ L 209, 12.8.2017, p. 19);
2. Commission Delegated Regulation (EU) 2017/2358 of 21 September 2017 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to product oversight and governance requirements for insurance undertakings and insurance distributors (OJ L 341, 20.12.2017, p. 1);
3. Commission Delegated Regulation (EU) 2017/2359 of 21 September 2017 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to information requirements and conduct of business rules applicable to the distribution of insurance-based investment products (OJ L 341, 20.12.2017, p. 8).