INSURANCE AND THE SINGLE EUROPEAN MARKET

Objectives: To examine the evolution of a single insurance market and assess the implications of European developments for insurance practice in the UK and other Member States.

REGULATORY FRAMEWORK

Aims of regulation, who and what is regulated and who the regulators are. 2
Concept of the single market. 3
Treaty of Rome. 2
Single European Act 1987. 2
Maastricht Treaty 1993. 2
Basic freedoms - freedom of movement of goods, persons and capital, freedom of establishment and free movement of services. 3
The Single licence. 2

EUROPEAN INSTITUTIONS

Development, structure, powers and role in the legislative process of the Council of Ministers, the Commission, the European Parliament (including the changes in its role following the Maastricht Treaty) and the Court of Justice. 3
Role and functions of the COREPER (Committee of Permanent Representatives of the Governments of the Member States), the European Council and the Economic Social Committee. 3
Insurance Committee and EC Supervisors Conference. 3
Insurance associations representing the industry on European matters—British Insurers’ International Committee and European Insurance Committee (Comité Européen des Assurances). 2

DIFFERENT TYPES OF EC LAW

Nature, application and effect of directives, regulations, recommendations and opinions of the Council and Commission. 3
Judgements and opinions of the Court of Justice. 3

INSURERS AND THE SINGLE MARKET

Overview of UK legislation on the regulation of insurance, including the Insurance Companies Act 1982 and the Policyholders’ Protection Act 1975. 2
Single market legislation: First, Second and Third Life and Non-life Directives. 3
Reinsurance directive and Co-insurance Directive. 3
Motor Directives. 3
Pension Funds and proposals for migrant workers. 2
Convention on Jurisdiction and the Enforcement of Judgements. 2
Current legislative developments. 3

INTERMEDIARIES AND THE SINGLE MARKET

UK legislation on the regulation of intermediaries, including the Insurance Brokers (Registration) Act 1977 and the Financial Services Act 1986. 3
1991 Recommendations on insurance intermediaries. 2
Current legislative developments. 3

EUROPEAN LEGISLATION ON INSURANCE CONTRACT LAW AND POLICY TERMS

Difficulties in harmonising the law of insurance contracts, as illustrated by the proposed directive on insurance contract law 1979. 2
Unfair Contract Terms Directive. 3
UK Statements of Practice. 2
Current legislative developments. 3

OTHER DEVELOPMENTS IN EUROPE AFFECTING INSURANCE

European Economic Area, the relationship of the EU with Switzerland and the enlargement of the EU. 3
Action to mitigate the effects of the Bachmann case; pensions; winding-up of insurance companies and environmental liability. 3
General Agreement on Tariffs and Trade (GATT). 3

IMPACT OF THE SINGLE MARKET ON THE INSURANCE INDUSTRY

An overview of the insurance industry reaction to the single market in terms of developments in market structure, insurance company ownership, cross-border ventures, policy wordings, new products, buying patterns and distribution channels, electronic networks. 2
Knowledge ratings
Each sub-topic has been designated a numerical knowledge rating as follows:
1. General background awareness necessary.
2. Requires a knowledge of the major elements of procedures or concepts and their uses.
3. Requires the ability to evaluate concepts, issues, policies and procedures, together with an understanding of associated aspects of these items and their application to various situations.

Study materials
The following list provides details of various publications which may assist with your studies. The primary text for this syllabus is shown in bold type. Periodicals and publications listed as additional reading will be of value in ensuring candidates keep up-to-date with developments and in providing a wider coverage of syllabus topics. The reference materials cited are authoritative, detailed works which should be used selectively as and when required.

Primary text
Coursebook 925: Insurance and the single European market. The Chartered Insurance Institute.

Additional reading

Reference works
Croner’s Europe. New Malden, Surrey: Croner Publications, 1989-.

Periodicals