



DPB UPDATE, ISSUE 5, MARCH 2009

Insurance Mediation Directive – new PII requirements

If you undertake insurance mediation activity (for example by making a recommendation to a client to buy a particular insurance policy) you need to comply with the levels of PII cover in the Insurance Mediation Directive.

Following a change in the Directive, these increased with effect from 1 March 2009 for policies commencing or renewing on or after that date. The revised amounts are €1,120,200 per claim and €1,680,300 in total. These are set out in paragraph 2.07m of the [*DPB Handbook*](#).

Although the amounts of required insurance are denominated in euros, there is no need to obtain insurance in euros, just its sterling equivalent. Paragraph 2 in the notes to Part 2 the *DPB Handbook* explains how to establish appropriate sterling values.

We may have already written to you to inform you of this change because our records indicated that you had enhanced euro amounts of PII, but we are now alerting all DPB firms to the change.