

Addendum 2017

Cost settlement protocol Sanctions Act-related activities

Cost determination Sanctions Act-related activities.

By order of VNAB, in the course of 2017 accountancy firm Mazars carried out an analysis among six brokers of the parameters for the determination of the average costs per policy to perform the Sanctions Act-related activities. The results of the analysis were submitted to the Financial Committee, based on which the parameters for 2017 and 2018 have been determined and approved by the Executive Committee.

Parameters for 2017 and 2018

- Sanctions Act cost sharing between : 4 (instead of 5) parties
- Policy density (av. # policies per relationship) : 1.4
- Relationships per policy : 2
- Hourly rate for CDD and TDD : € 50.00 per hour
- Required time for CDD : 12.5 minutes
- Required time for TDD : 2017: 8 minutes / 2018: 4 minutes

Sanctions Act cost sharing broker - insurer(s)

Based on the e-ABS database, the average number of insurers on a policy dropped from 4 to 3 in 2016. This means that the Sanctions Act costs are shared between 4 parties (broker + 3 insurers) and therefore 25% instead of the previously determined 20% thereof will be borne by the broker.

These parameters result in the following costs (per policy per annum):

Sanction costs 2017:

CDD:	Benelux	:	€18.15 (final settlement: €7,12)
	Other countries	:	€23.52 (final settlement: €8.64)
CDD and TDD:	Benelux	:	€24.81 (final settlement: €13.78)
	Other countries	:	€30.19 (final settlement: €15.31)

As cost settlement for the performance of Sanctions Act-related activities takes place for the first time, the previously charged CDD and TDD costs may be subject to a once-off final settlement.

Sanction costs (CDD and TDD) 2018:

Benelux: €16.75
Other countries: €26.86

Related documents:

[VNAB Cost Settlement Protocol Sanctions Act-related activities](#)

[Manual sanction costs bookings](#)