

Country-by-country analysis - Slovakia

Annex IX to the Report on the application of the
Insurance Distribution Directive (IDD)

Consumer Protection Department
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EIOPA-BoS-21/584
06 January 2022

Note:

Powers of national competent authorities (NCAs):

In January 2021, EIOPA launched an online survey addressed to NCAs to gather input as to whether they are sufficiently empowered to carry out their tasks. The following information is based on the response from the National Bank of Slovakia to this survey.

The figures should be interpreted with some caution as insurance markets – including the number and type of insurance intermediaries operating therein – vary significantly across Members States, as well as the supervisory structure and framework. **There are, therefore, limits to the level of comparability of data.**

Changes in the EU insurance distribution market:

In February 2021, EIOPA launched a survey addressed to NCAs to gather information on the insurance intermediaries' market structure and patterns of cross-border activities. The following information is based on the response from the National Bank of Slovakia to this survey.

The figures should be interpreted with some caution as there are differences as to how intermediaries are registered in their home Member State, in the national categories of insurance intermediaries and in the approaches by NCAs to collect data.

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Information on the insurance intermediaries' market structure and patterns of cross-border activity

General data of the national market (2020):

	Amounts	Share total EEA
Population (in 1000) ¹	5,457	1.2%
(Re)insurance GWP (in million) ²	2,223.59	0.14%
Number of (re)insurance undertakings ³	12	0.5%
Number of registered insurance intermediaries	21,260	2.4%

National competent authority:

National Bank of Slovakia

Registered insurance intermediaries split by natural and legal persons:

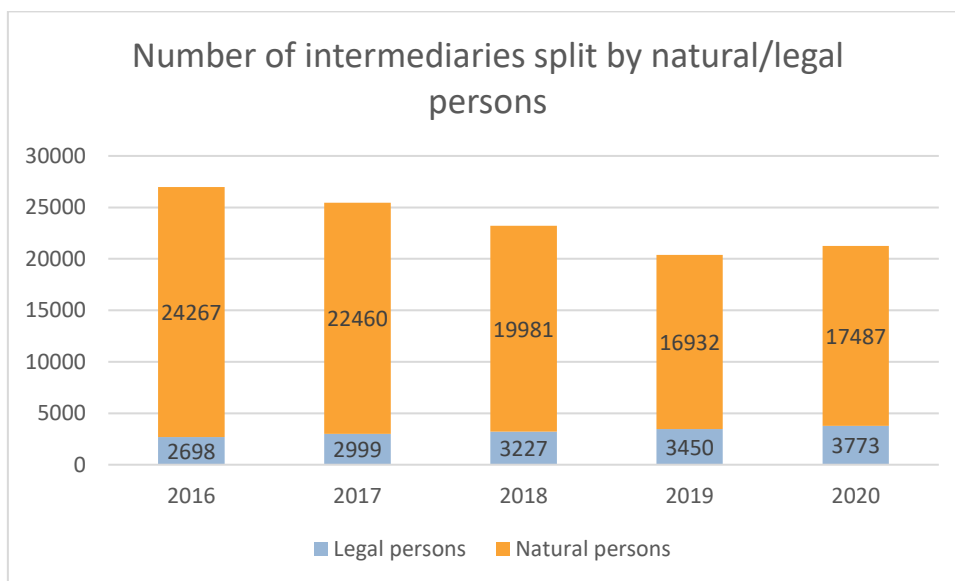
¹ Based on eurostat data:

<https://ec.europa.eu/eurostat/documents/2995521/11081093/3-10072020-AP-EN.pdf/d2f799bf-4412-05cc-a357-7b49b93615f1>

² (Re)insurance GWP includes life and non-life premiums generated by domestically registered undertakings year-end 2020 based on annually reported SII information:

https://www.eiopa.europa.eu/tools-and-data/insurance-statistics_en#Premiums,claimsandexpenses

³ Number of (re)insurance undertakings includes the domestically registered undertakings. Based on SII information (see link above)



Online registration system:

National bank of Slovakia has established Register, which is divided into sub-registers for particular sectors as follows:

- (a) insurance and reinsurance;
- (b) capital market;
- (c) deposit-taking;
- (d) credit-granting, including housing loans and consumer loans;
- (e) supplementary pension scheme;
- (f) old-age pension scheme.

The sub-register under paragraph (a) shall be divided into the lists of:

- (a) independent financial agents;
- (b) tied financial agents;
- (c) subordinate financial agents;
- (d) financial advisers;
- (e) financial intermediaries from other Member States operating in the insurance or

reinsurance sector;

(f) ancillary insurance intermediaries.

The sub-register under paragraph (b) shall be divided into the lists of:

(a) independent financial agents;

(b) tied financial agents;

(c) subordinate financial agents;

(d) financial advisers;

(e) tied investment agents.

The sub-registers under paragraph (c) to (f) are divided into lists for:

(a) independent financial agents;

(b) tied financial agents;

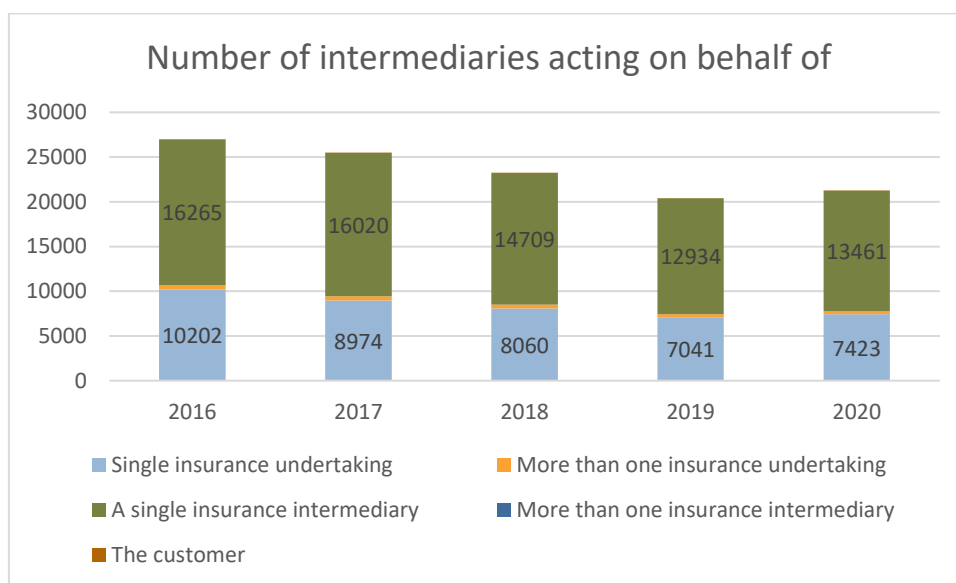
(c) subordinate financial agents;

(d) financial advisers;

(e) financial intermediaries from other Member States engaged in the provision of housing loans, included in the sub-register mentioned in paragraph (d).

Each person may be registered concurrently only in one of the relevant lists within one sub-register. The information on the number of registered intermediaries are daily updated.

Registered insurance intermediaries split by categories based on the activities of insurance intermediaries:



Registered insurance intermediaries split by categories based on the way in which they are paid:

Number of intermediaries paid in relation to the insurance contract	No intermediary is remunerated this way	Up to 25% of the intermediaries in the market are remunerated this way	25%-50% of the intermediaries in the market are remunerated this way	50%-75% of the intermediaries in the market are remunerated this way	More than 75% of the intermediaries in the market are remunerated this way
1. on the basis of a fee		2			
2. on the basis of a commission					374
3. on the basis of any other type of remuneration					
4. on the basis of a combination of any type of remuneration					

set out at points 1, 2 and 3					
5.Total number of registered intermediaries (5=1+2+3+4)	0.00	2.00	0.00	0.00	374.00

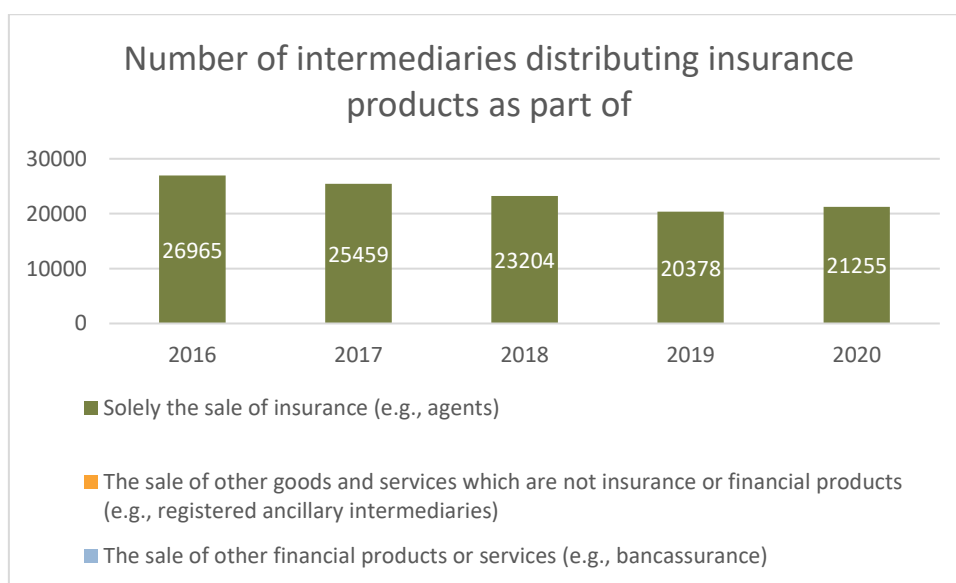
Financial advisors are paid only by customer.

Insurance intermediaries acting on more than one insurance undertaking who are in Slovakia called Independent Financial Agents are paid on the basis of a commission of any kind by financial institution (insurance undertaking).

Insurance intermediaries acting on a single insurance undertaking are called Tied Financial Agents and are paid by Insurance undertaking who they have contract with.

Insurance intermediaries acting on a single insurance intermediary are called Subordinate financial agents, who have contract with Independent Financial Agents and are paid according their contract policy by Independent Financial Agent.

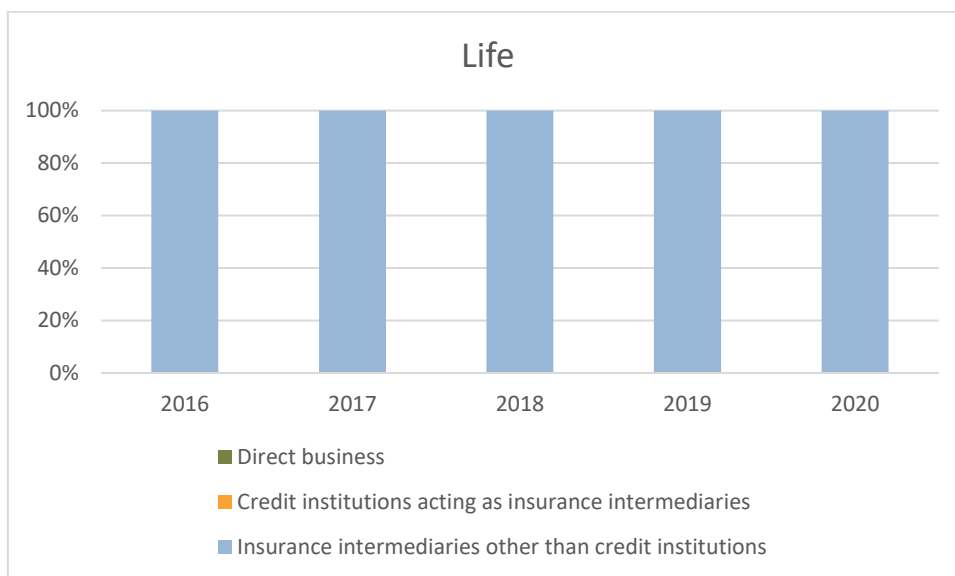
Registered insurance intermediaries split by categories based on the basis in which they sell insurance products:

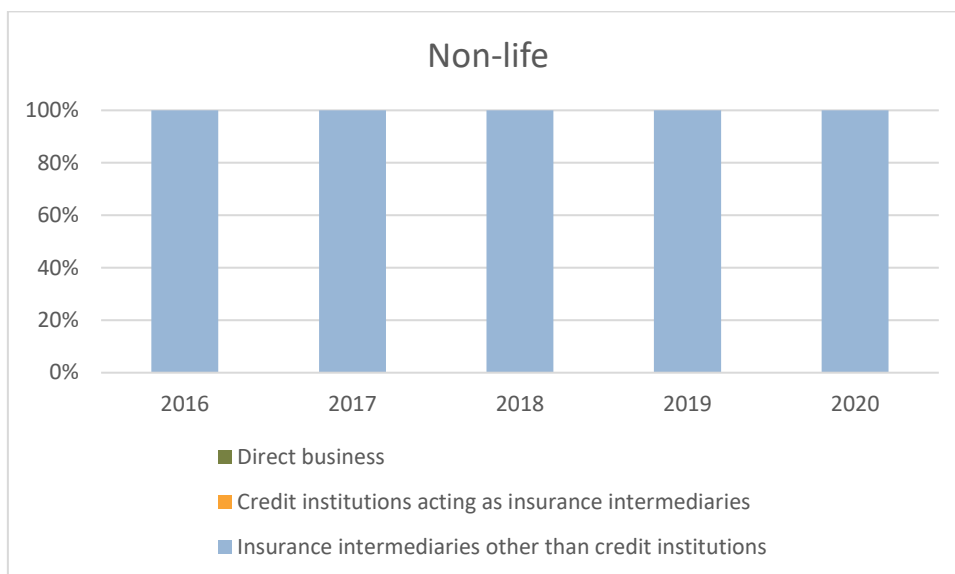


Comments provided by the NCA on the figures included in the chart above:

1. "The sale of other financial products or services" = Data is not available. 2. "The sale of other goods and services which are not insurance or financial products" = Registered ancillary intermediaries. 3. "Solely the sale of insurance" = Agents (independent agents, tied financial agents, subordinate financial agents; financial advisers)

GWP split by distribution channels:





Comments provided by the NCA on the figures included in the chart above:

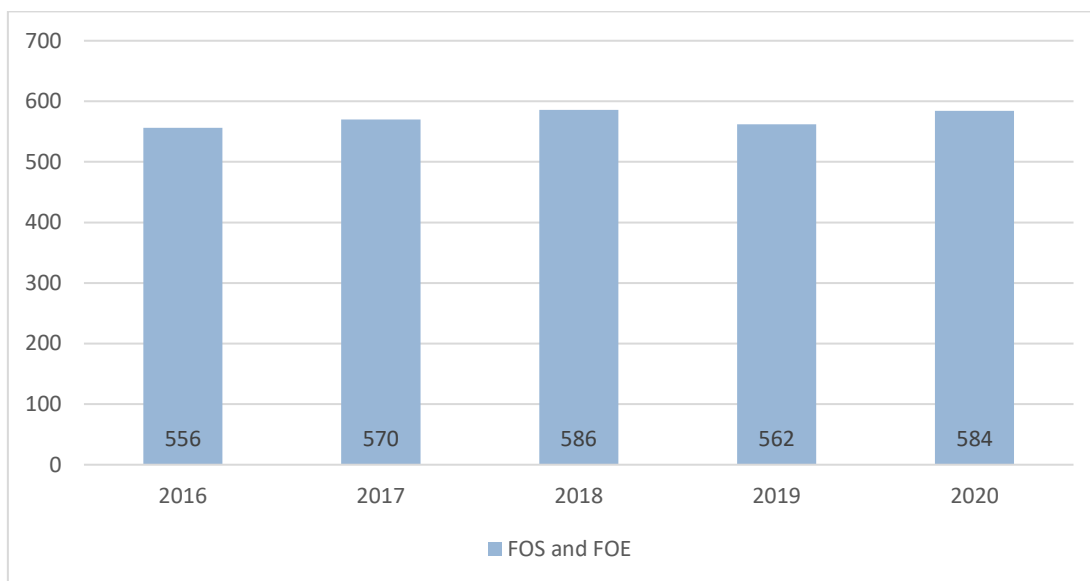
The source is annual report from insurance intermediaries (Independent Financial Agents). NBS collects information from intermediaries licensed by NBS (Independent financial Agents), where there may also be credit institutions, that have a license to provide services as a Independent Financial Agent. Separately credit institutions acting as insurance intermediaries and direct business we can not provide any numbers.

Proportion of online intermediation/sales (e.g. directly via websites, mobile applications, e-mails) in terms of the total volume of gross written premiums:

We are able to provide solely approximate estimation due to the fact that we do not have any such database comprising of online websites, mobile applications etc. It is not possible to tell the proportion in our market. We estimate there are tens of website offering online intermediation and/or sale. We have no estimation regarding mobile applications, it could be tens, too.

Number of domestic insurance intermediaries with a passport to carry out insurance mediation activities under freedom to provide services (FOS) and under freedom of establishment (FOE)

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Comments provided by the NCA on the figures included in the chart above:

To the date 31.12.2020, 581 domestic insurance intermediaries passported out on a FOS basis and 3 domestic insurance intermediaries passported out on a FOE basis.

Number of insurance intermediaries with a passport to carry out insurance mediation activities under FOS or under FOE at the reference date 31.12.2020 split by host Member State:

<i>Host Member State</i>	<i>1. FOS</i>	<i>2. FOE</i>	<i>3. TOTAL</i>
<i>Austria</i>	430	0	430
<i>Belgium</i>	13	0	13
<i>Bulgaria</i>	12	1	13
<i>Cyprus</i>	10	0	10
<i>Croatia</i>	18	0	18
<i>Czech Republic</i>	563	2	565
<i>Denmark</i>	10	0	10
<i>Estonia</i>	10	0	10

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<i>Finland</i>	10	0	10
<i>France</i>	9	0	9
<i>Germany</i>	19	0	19
<i>Greece</i>	10	0	10
<i>Hungary</i>	443	0	443
<i>Iceland</i>	1	0	1
<i>Ireland</i>	9	0	9
<i>Italy</i>	15	0	15
<i>Latvia</i>	10	0	10
<i>Liechtenstein</i>	1	0	1
<i>Lithuania</i>	10	0	10
<i>Luxembourg</i>	12	0	12
<i>Malta</i>	11	0	11
<i>Netherlands</i>	11	0	11
<i>Norway</i>	3	0	3
<i>Poland</i>	445	0	445
<i>Portugal</i>	10	0	10
<i>Romania</i>	16	0	16
<i>Slovakia</i>	0	0	0
<i>Slovenia</i>	13	0	13
<i>Spain</i>	11	0	11
<i>Sweden</i>	10	0	10
<i>Total EEA</i>	2,145	3	2,148

General qualitative description of the “patterns of cross-border activity”:

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A large proportion of Agents passport to Czech Republic, Hungary, Austria and Poland on a FOS basis. In terms of FOE are small amount of Agents passported.

Information on the powers of the NCAStatutory powers to implement the IDD:

National bank of Slovakia has already had statutory powers before the implementation of IDD.
Ministry of finance was empowered for implementation of IDD.

Extent to which NCA has not been sufficiently empowered to ensure the implementation of the IDD

Not applicable.

Most common supervisory tools to monitor the IDD implementation (1=least common; 5=most common)

Tools	Insurance undertakings	Insurance intermediaries
Market monitoring	5	3
Data-driven market monitoring, beyond complaints data analysis	5	4
Thematic reviews	3	3
Mystery shopping	n/a	n/a
On-site inspections	5	5
Off-site monitoring	5	5
Consumer focus groups	n/a	n/a
Product oversight activities	3	3
Consumer research	n/a	n/a

Investigations stemming out of complaints	5	4
Other <i>a priori</i> supervisory activities (e.g., fit&proper assessments)	n/a	n/a

Comment by NCA on supervisory tools referred to in the table above:

Mystery shopping and consumer research is conducted by NBS Financial consumer protection department.

Supervisory tools adopted before and following IDD implementation:

Cells marked in **blue** means "yes" and cells marked in **grey** means "no".

Tools adopted	Adopted before IDD implementation	Adopted following IDD implementation	Is planning to adopt this or next year	Would like to adopt but is not empowered to adopt
Market monitoring				
Data-driven market monitoring, beyond complaints data analysis				
Thematic reviews				
Mystery shopping				
On-site inspections				
Off-site monitoring				
Product oversight activities				
Consumer focus groups				

Consumer research				
Investigations stemming out of complaints				
Other <i>a priori</i> supervisory activities (e.g., fit & proper assessments) – indicate below				

Comment by NCA on supervisory tools referred to in the table above:

Almost all supervisory tools were adopted before implementing the IDD. Mystery shopping is primarily used in search for unfair commercial / business practices.

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