

Country-by-country analysis - Finland

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 Finnish Financial Supervisory Authority 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 Finnish Financial Supervisory Authority 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.

FINLAND

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	5,525	1.2%
(Re)insurance GWP (in million) ²	7,864.30	0.51%
Number of (re)insurance undertakings ³	45	1.9%
Number of registered insurance intermediaries	4,314	0.5%

National competent authority:

Financial Supervisory Authority

Registered insurance intermediaries split by natural and legal persons:

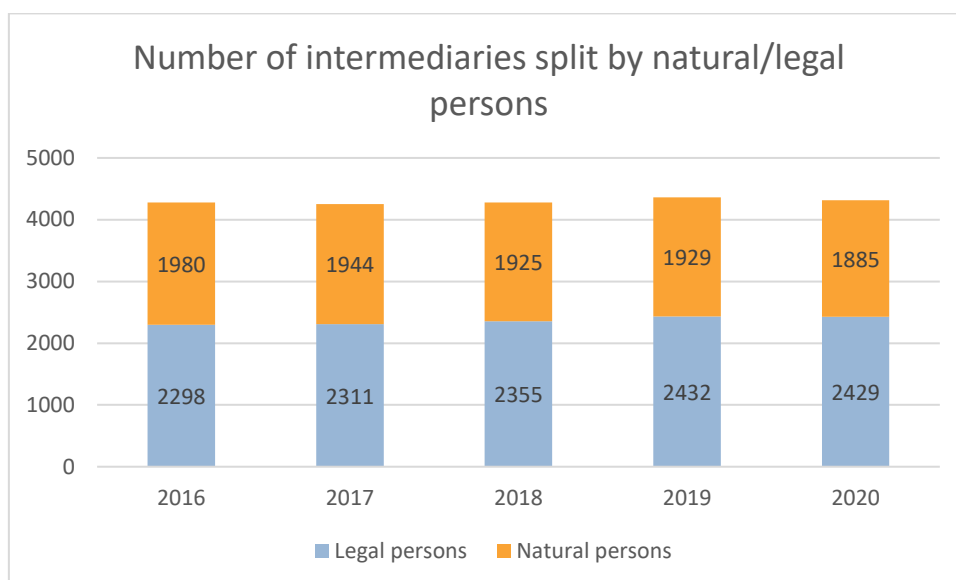
¹ Based on eurostat data:

<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)



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

The number "Natural persons" does not include those natural persons who operate under the service of Legal persons as a registered agent or broker. The number of those natural persons is about 1150.

Online registration system:

The online registration system has been in use since 2006. The system has been updated frequently (e.g. to meet the demands of IDD legislation). The information on the registered intermediaries is updated on daily basis (the applications are handled every day and that updates the register information automatically.) It is possible for the applicants to fill in the application online and enclose any certificates also online at the same time or later.

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

In Finland there are insurance agents who represent one insurance undertaking or a group of insurance undertakings (life and non-life undertaking) and agents representing several insurance undertakings from different groups. There are also 90 insurance brokers who act on behalf of their client, not any insurance undertaking. There are no wholesale and retail insurance intermediaries as such in Finland, but intermediaries can co-operate in different ways.

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	N/A	90			
2. on the basis of a commission	N/A		N/A	N/A	N/A
3. on the basis of any other type of remuneration	N/A		N/A	N/A	N/A
4. on the basis of a combination of any type of remuneration set out at points 1, 2 and 3	N/A		N/A	N/A	N/A
5.Total number of registered intermediaries (5=1+2+3+4)		90.00			

This information is not available with the exception that brokers' (N=90) remuneration is paid directly by their customers. The market is dominated by insurance agents that receive their remuneration from insurance companies in salary or fees.

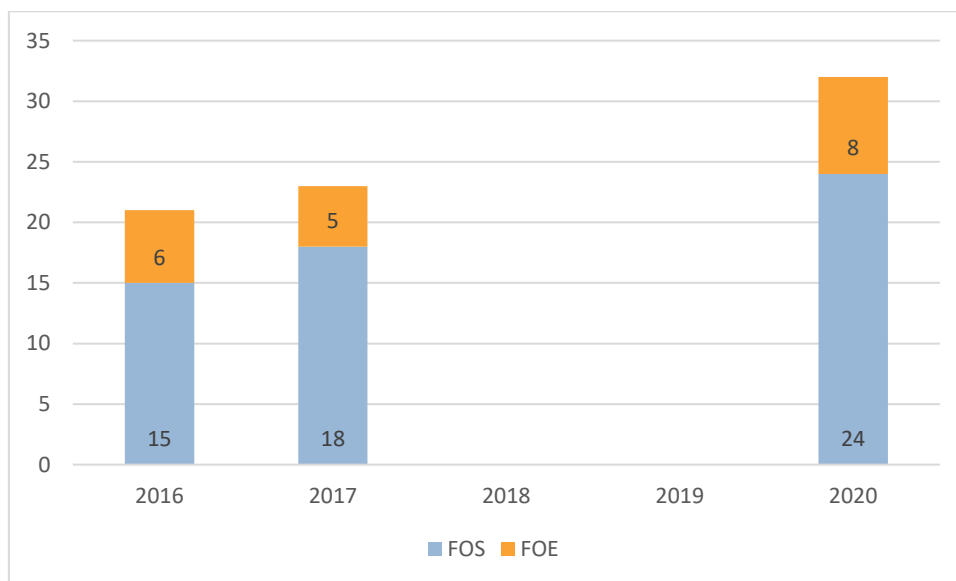
Registered insurance intermediaries split by categories based on the basis in which they sell insurance products:

It is not possible to get a report from the register that would include the number of bancassurance entities nor the number of ancillary intermediaries. This information is in the register, but it would require calculations (one by one) to find out the numbers of these entities. There is not information on whether other than ancillary insurance intermediaries are solely distributing insurance.

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

Internet sales is increasing and has done that for many years now.

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



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

It is not possible to get historical data from the register and the figures for the years 2018 and 2019 are not available.

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:

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<i>Host Member State</i>	<i>1. FOS</i>	<i>2. FOE</i>	<i>3. TOTAL</i>
<i>Austria</i>	2	0	2
<i>Belgium</i>	8	0	8
<i>Bulgaria</i>	2	0	2
<i>Cyprus</i>	2	0	2
<i>Croatia</i>	2	0	2
<i>Czech Republic</i>	3	0	3
<i>Denmark</i>	13	2	15
<i>Estonia</i>	15	2	17
<i>Finland</i>	0	0	0
<i>France</i>	6	0	6
<i>Germany</i>	5	0	5
<i>Greece</i>	2	0	2
<i>Hungary</i>	5	0	5
<i>Iceland</i>	2	1	3
<i>Ireland</i>	4	0	4
<i>Italy</i>	5	1	6
<i>Latvia</i>	12	1	13
<i>Liechtenstein</i>	2	0	2
<i>Lithuania</i>	12	1	13
<i>Luxembourg</i>	4	1	5
<i>Malta</i>	2	0	2
<i>Netherlands</i>	3	0	3
<i>Norway</i>	16	2	18

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<i>Poland</i>	3	0	3
<i>Portugal</i>	4	0	4
<i>Romania</i>	2	0	2
<i>Slovakia</i>	2	0	2
<i>Slovenia</i>	2	0	2
<i>Spain</i>	6	0	6
<i>Sweden</i>	21	5	26
<i>Total EEA</i>	167	16	183

Information on the powers of the NCA

Statutory powers to implement the IDD:

Finland started to receive notifications related to freedom of services (FOS). The FIN-FSA received sanctioning powers. Law on insurance distribution, sections 70, 71 and 73, Law on Financial Supervisory Authority, chapter 4

The FIN-FSA already had powers to:

- market monitoring, Law on insurance distribution, section 66
- registration of insurance intermediaries (Law on insurance distribution, chapter 2),
- notification procedure (Law on insurance distribution, chapter 4)
- and publication of general good rules (Law on insurance distribution, section 77).

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

The FIN-FSA has been sufficiently empowered.

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

Tools	Insurance undertakings	Insurance intermediaries
Market monitoring	n/a	n/a
Data-driven market monitoring, beyond complaints data analysis	n/a	n/a
Thematic reviews	n/a	n/a
Mystery shopping	n/a	n/a
On-site inspections	4	3

Off-site monitoring	5	4
Consumer focus groups	n/a	n/a
Product oversight activities	n/a	n/a
Consumer research	n/a	n/a
Investigations stemming out of complaints	n/a	n/a
Other <i>a priori</i> supervisory activities (e.g., fit&proper assessments)	n/a	5

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

So far the supervision of the FIN-FSA has been concentrated on registration of intermediaries but there will be a shift to more active supervision.

Fit & proper assessments are done at the time of registration of insurance intermediaries and when the registered information is updated or checked.

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:

Fit & Proper requirements have been extended so that they cover also the management and owners of insurance intermediaries.

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