

# Country-by-country analysis - Cyprus

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  
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eioipa

European Insurance and  
Occupational Pensions Authority

**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 Insurance Companies Control Service (ICCS) 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 Insurance Companies Control Service (ICCS) 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.

## CYPRUS

### 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) <sup>1</sup>	888	0.2%
(Re)insurance GWP (in million) <sup>2</sup>	969.96	0.06%
Number of (re)insurance undertakings <sup>3</sup>	30	1.2%
Number of registered insurance intermediaries	2,293	0.3%

National competent authority:

Insurance Companies Control Service

Registered insurance intermediaries split by natural and legal persons:

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<sup>1</sup> Based on eurostat data:

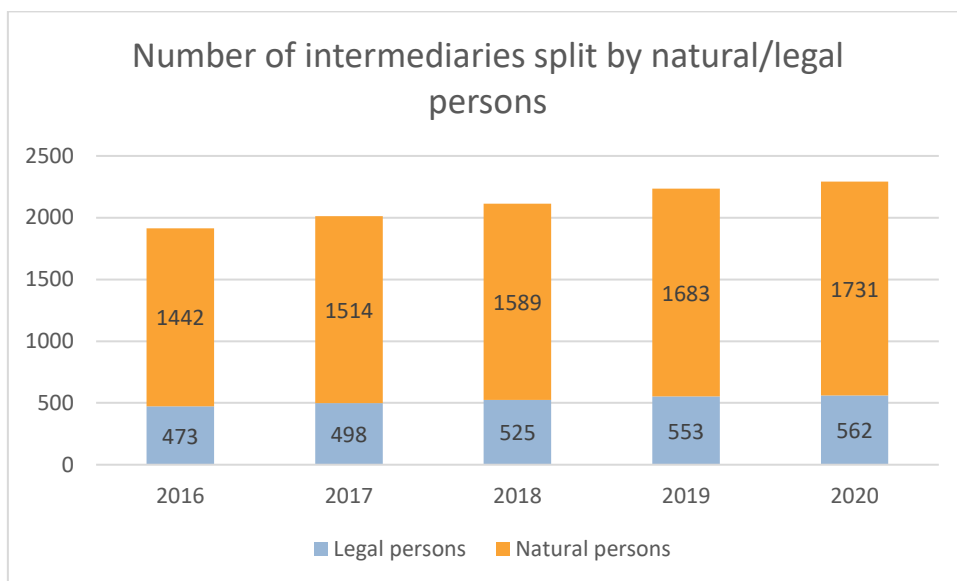
<https://ec.europa.eu/eurostat/documents/2995521/11081093/3-10072020-AP-EN.pdf/d2f799bf-4412-05cc-a357-7b49b93615f1>

<sup>2</sup> (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](https://www.eiopa.europa.eu/tools-and-data/insurance-statistics_en#Premiums,claimsandexpenses)

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

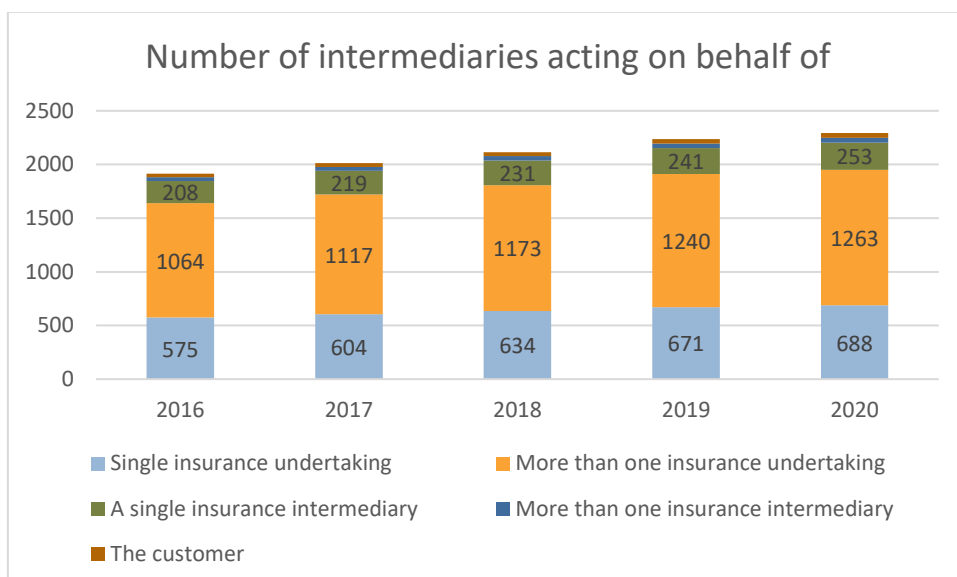
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Online registration system:

We are currently in the process of finalising a full scope on-line registration system. In the meantime we are using a system where we registered all the intermediaries manually.

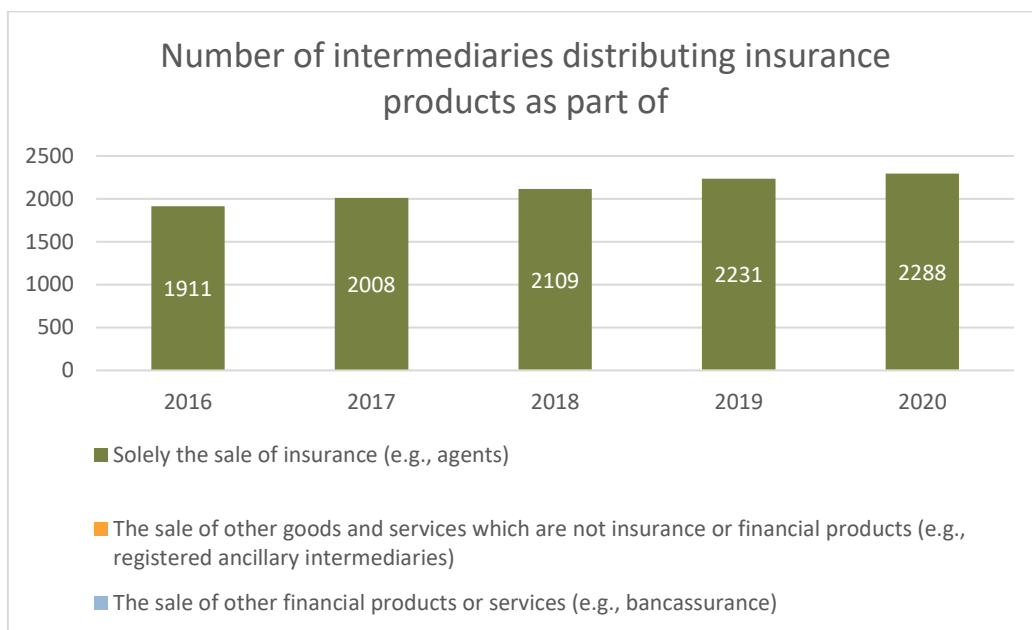
Registered insurance intermediaries split by categories based on the activities of insurance intermediaries:



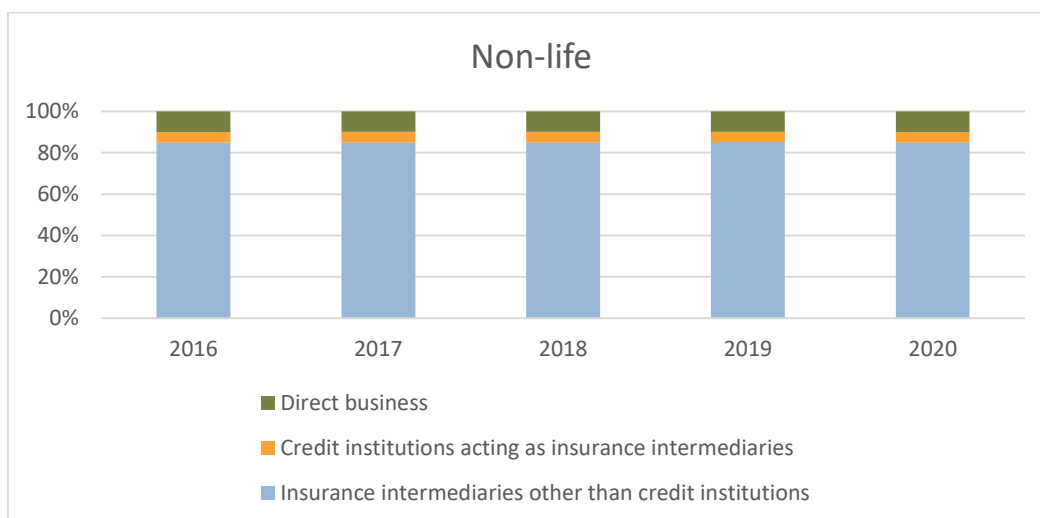
Registered insurance intermediaries split by categories based on the way in which they are paid:

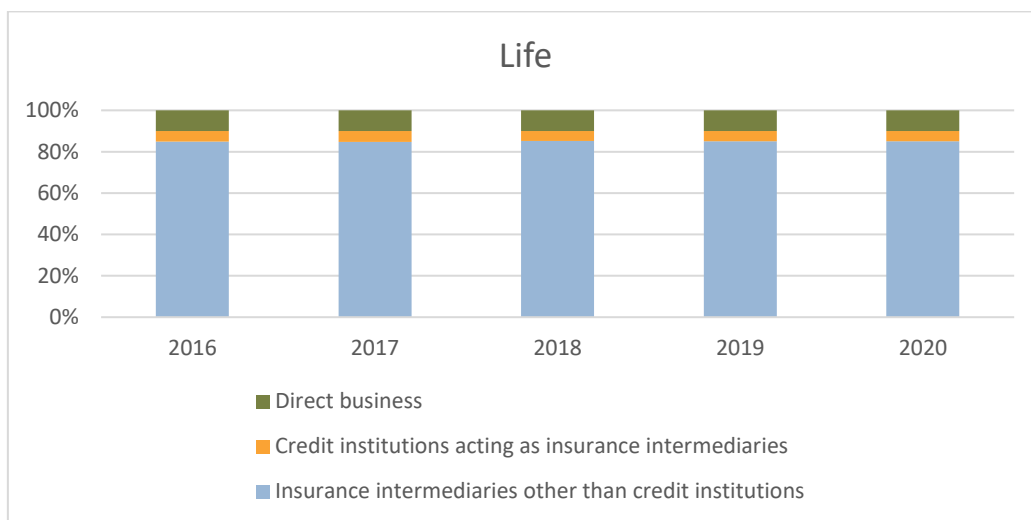
Number of intermediaries paid in relation to the insurance contract	No intermediary is remunerated this way	Up to 25% of the intermediaries in the market are remunerated this way	25%-50% of the intermediaries in the market are remunerated this way	50%-75% of the intermediaries in the market are remunerated this way	More than 75% of the intermediaries in the market are remunerated this way
<b>1. on the basis of a fee</b>	33	35	37	42	46
<b>2. on the basis of a commission</b>	1,882	1,977	2,077	2,194	2,247
<b>3. on the basis of any other type of remuneration</b>	0	0	0	0	0
<b>4. on the basis of a combination of any type of remuneration set out at points 1, 2 and 3</b>	0	0	0	0	0
<b>5.Total number of registered intermediaries (5=1+2+3+4)</b>	1,915	2,012	2,114	2,236	2,293

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



**GWP split by distribution channels:**





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

Note: All above figures are in millions. Figures for 2020 are estimated. Assumptions used: (1) Direct Business estimated 10% of total gross premiums, (2) Credit institutions estimated 5% of total gross premiums.

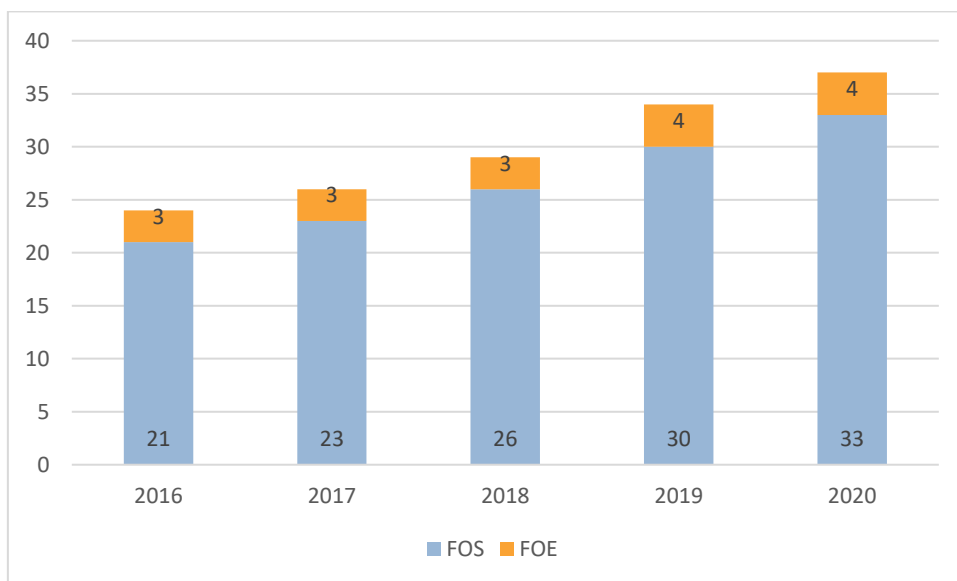
Source of information: ICCS STATISTICS

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

The number is relatively small, less than 5% of the total number of insurance contracts sold in the local market.

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)

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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>	16	0	16
<i>Belgium</i>	26	0	26
<i>Bulgaria</i>	14	0	14
<i>Cyprus</i>	0	0	0
<i>Croatia</i>	10	0	10
<i>Czech Republic</i>	16	0	16
<i>Denmark</i>	17	1	18
<i>Estonia</i>	13	0	13
<i>Finland</i>	13	0	13
<i>France</i>	23	1	24
<i>Germany</i>	20	0	20



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<b>Greece</b>	53	3	56
<b>Hungary</b>	12	0	12
<b>Iceland</b>	8	0	8
<b>Ireland</b>	18	0	18
<b>Italy</b>	19	0	19
<b>Latvia</b>	11	0	11
<b>Liechtenstein</b>	8	0	8
<b>Lithuania</b>	12	0	12
<b>Luxembourg</b>	20	0	20
<b>Malta</b>	25	0	25
<b>Netherlands</b>	19	0	19
<b>Norway</b>	13	0	13
<b>Poland</b>	14	0	14
<b>Portugal</b>	19	3	22
<b>Romania</b>	16	0	16
<b>Slovakia</b>	14	0	14
<b>Slovenia</b>	13	0	13
<b>Spain</b>	23	2	25
<b>Sweden</b>	21	1	22
<b>Total EEA</b>	506	11	517

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

The above cross-border activity is derived from 68 licensed insurance intermediaries.

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

Stable

## Information on the powers of the NCA

### Statutory powers to implement the IDD:

The following Articles from the IDD were fully transposed into our local law:

- Market monitoring, including the market for ancillary insurance products which are marketed, distributed or sold in, or from, their Member State (Article 1(5))
- Registration of (re)insurance intermediaries and ancillary insurance intermediaries (Article 3);
- Notification procedure (Articles 4 and 6);
- Breach of obligations when exercising the freedom to provide services and the freedom of establishment (Articles 5 and 8);
- Publication of general good rules (Articles 11);
- Breaches, (administrative) sanctions and other measures, including their publication and reporting (Articles 31, 32, 33, 35 and 36)

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

The ICCS is empowered to adopt all the supervisory tools stemming from the implementation of the IDD and these were transposed in our Local National Law for both insurance undertakings and insurance intermediaries.

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

Tools	Insurance undertakings	Insurance intermediaries
Market monitoring	3	3
Data-driven market monitoring, beyond complaints data analysis	2	2
Thematic reviews	1	1

Mystery shopping	1	1
On-site inspections	4	4
Off-site monitoring	5	5
Consumer focus groups	1	1
Product oversight activities	2	2
Consumer research	1	1
Investigations stemming out of complaints	3	3
Other <i>a priori</i> supervisory activities (e.g., fit&proper assessments)	5	5

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

Other *a priori* supervisory activities includes Fit & Proper Assessments for both insurance undertakings and insurance intermediaries

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:

The ICCS is empowered to adopt all the above supervisory tools under the implementation of the IDD. The main reason for not being able to adopt to a further extent is due to limitation in Human Resources.

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