

Country-by-country analysis - Denmark

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 Danish 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 Danish 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.

DENMARK

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	5,822	1.3%
(Re)insurance GWP (in million) ²	36,520.89	2.4%
Number of (re)insurance undertakings ³	74	3.0%
Number of registered insurance intermediaries	2,501	0.3%

National competent authority:

Danish Financial Supervisory Authority

¹ Based on eurostat data:

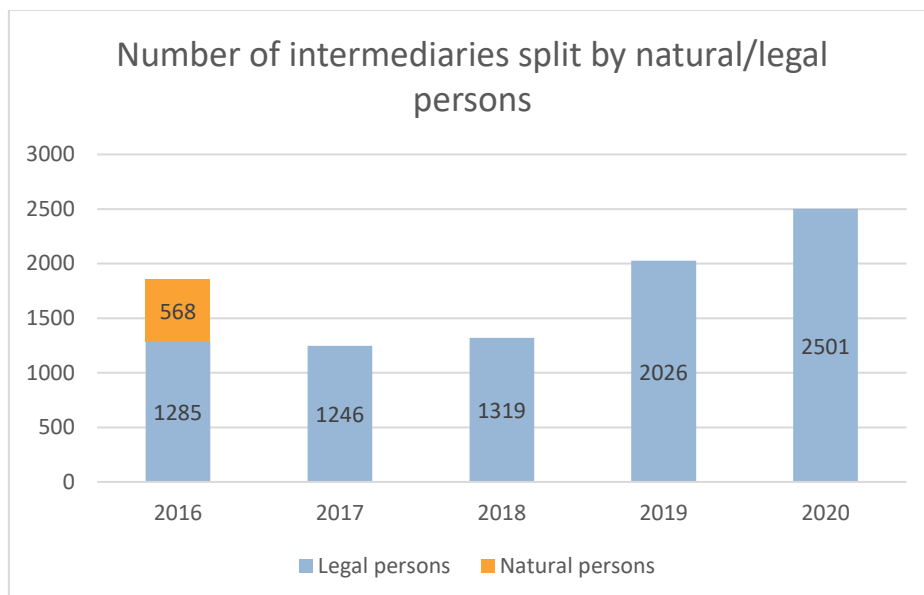
<https://ec.europa.eu/eurostat/documents/2995521/11081093/3-10072020-AP-EN.pdf/d2f799bf-4412-05cc-a357-7b49b93615f1>

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)

Registered insurance intermediaries split by natural and legal persons:



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

With the implementation of the IDD in October 2018, it was no longer possible to be registered as a natural person in Denmark. In Denmark we have previously submitted numbers for natural persons, understanding a natural person, as a person with personal license to perform insurance distribution in a legal person with the acquired permit. After October 2018 we only approve the entities (companies) in which the natural persons perform insurance distribution.

Online registration system:

In DK this is found in two different systems - the online application system and the on-line register.

1. online system for applications

In DK we have an online application form:

Insurance intermediary:

https://virk.dk/myndigheder/stat/FT/selvbetjening/Ansoegningsskema_for_registrering_som_forsikringsformidler_eller_genforsikringsformidler/

Ancillary intermediary:

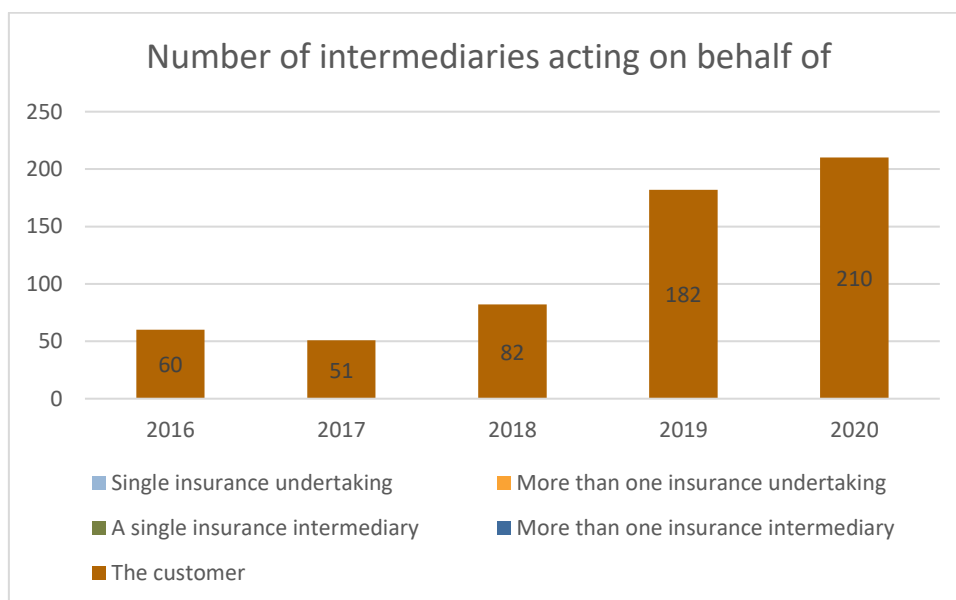
https://virk.dk/myndigheder/stat/FT/selvbetjening/Ansoegningskema_for_registrering_som_accessorisk_forsikringsformidler/

2. online register

In DK we have an separate register for alle the financial companies incl. insurance distributors. The register is updated daily.

<https://virksomhedsregister.finanstilsynet.dk/>

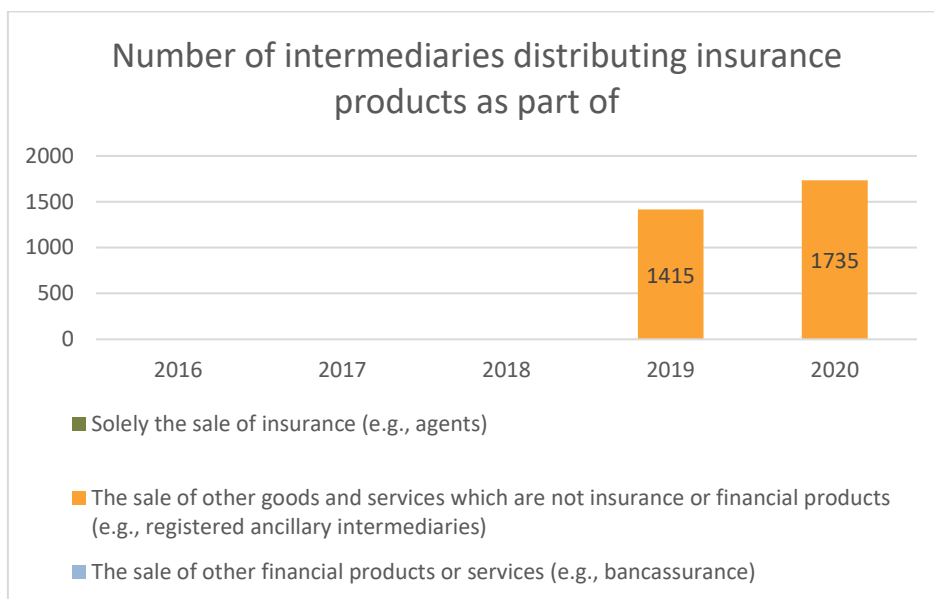
Registered insurance intermediaries split by categories based on the activities of insurance intermediaries:



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

In DK we have no access to information regarding this. The only information we got is the number of independent insurance intermediaries, these numbers appears under "the customer". An independent insurance intermediary is a legal person who only handles the customers interests.

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:

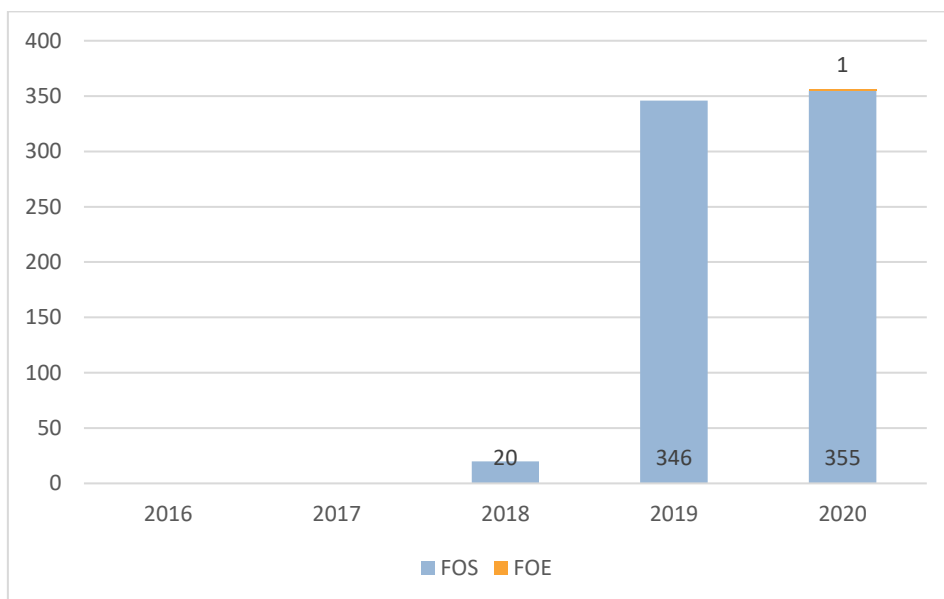
In DK we have no access to information regarding this. We have submitted the numbers of ancillary intermediaries under "the sale of other goods and services which are not insurance or financial products".

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 Insurance intermediaries each year submit specific numbers to The Danish FSA, the turnover and numbers of distributed policies. Regarding the rest DK have no access to information regarding this.

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>	269	0	269
<i>Belgium</i>	26	0	26
<i>Bulgaria</i>	8	0	8
<i>Cyprus</i>	10	0	10
<i>Croatia</i>	0	0	0
<i>Czech Republic</i>	6	0	6
<i>Denmark</i>	0	0	0
<i>Estonia</i>	1	0	1
<i>Finland</i>	7	0	7
<i>France</i>	114	0	114
<i>Germany</i>	57	0	57

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<i>Greece</i>	0	0	0
<i>Hungary</i>	1	0	1
<i>Iceland</i>	0	0	0
<i>Ireland</i>	19	0	19
<i>Italy</i>	7	0	7
<i>Latvia</i>	0	0	0
<i>Liechtenstein</i>	0	0	0
<i>Lithuania</i>	3	0	3
<i>Luxembourg</i>	19	0	19
<i>Malta</i>	6	0	6
<i>Netherlands</i>	26	0	26
<i>Norway</i>	3	0	3
<i>Poland</i>	3	0	3
<i>Portugal</i>	0	0	0
<i>Romania</i>	0	0	0
<i>Slovakia</i>	0	0	0
<i>Slovenia</i>	10	0	10
<i>Spain</i>	5	0	5
<i>Sweden</i>	8	0	8
<i>Total EEA</i>	608	0	608

Comments provided by the NCA on the table above:

In Dk we do not experience much activity across the border when it comes to insurance intermediaries. We receive a lot of notifications regarding FoS but we cannot detect any significant activity.

Additional comments regarding the insurance intermediaries' market structure:

In Dk we experience that the larger insurance companies are shifting from direct sales to using indirect sales such as very small intermediaries (often one man firm).

Information on the powers of the NCA

Statutory powers to implement the IDD:

Before the implementation of the IDD, the Danish FSA had the following powers:

Registration of independent (re)insurance intermediaries and insurance agents tied to insurance companies in other member states, breach of obligations in connection with FoE and FoS, publication of general good rules and breaches and sanctions.

The implementation of the IDD has extended the Danish FSA's powers to registration of all kinds of insurance intermediaries, oversight of the market for ancillary insurance products and some administrative sanctions.

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

We believe the Danish FSA has sufficient powers to ensure the proper implementation of the IDD.

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

Tools	Insurance undertakings	Insurance intermediaries
Market monitoring	1	1
Data-driven market monitoring, beyond complaints data analysis	1	1
Thematic reviews	4	5
Mystery shopping	1	1
On-site inspections	2	1
Off-site monitoring	4	5

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Consumer focus groups	n/a	n/a
Product oversight activities	2	1
Consumer research	n/a	n/a
Investigations stemming out of complaints	3	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:

The Danish FSA has previously experienced great difficulties in using mystery shopping and has therefore decided not to use that tool.

Consumer research falls outside the Danish FSA’s mandate.

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				

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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)				

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