

**I N B R I E F**

#INSURANCE #INTERMEDIARIES #DISTRIBUTION #IDD

# INSURANCE DISTRIBUTION IN 2022/23

The **Insurance Distribution Directive (IDD)** regulates the design and distribution of insurance products within the European Union, establishing a unified framework for insurance sales across the single market.

Its primary goal is to **enhance consumer protection** by holding insurance distributors accountable for consumer outcomes and ensuring that the products they offer align with consumers' needs.

The IDD sets **minimum standards** for the distribution of insurance

products **throughout the EU** while allowing member states a **degree of flexibility** to exercise certain national options.

The charts in this factsheet provide valuable insights into the number of intermediaries, their remuneration structures, challenges in insurance distribution, and the most commonly exercised national options under the IDD by member states.

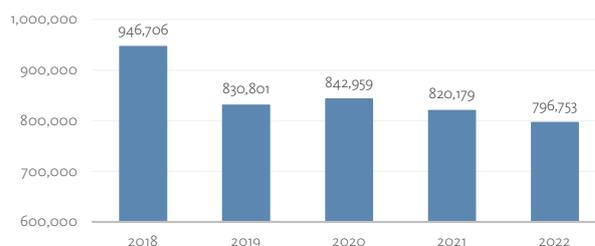
For more information and deeper analyses, read our latest [Report on the application of IDD](#).

## INTERMEDIARIES AND MARKET STRUCTURE

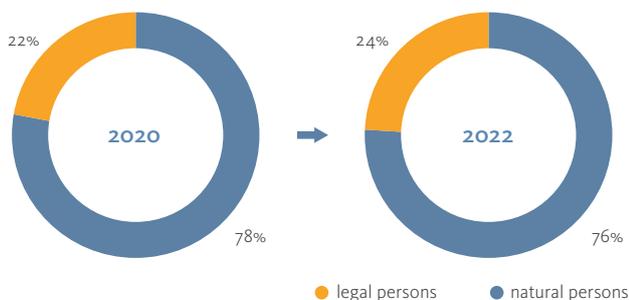
The graphs in this section focus on intermediaries, their legal status and the most common remuneration models used in different countries.

The graph on the right shows that the number of insurance intermediaries has been steadily decreasing over the past five years due to a number of factors. These, among others, include business consolidation, a higher level of digitalisation in the sector and the difficulties companies face in retaining and attracting talent.

**NUMBER OF INTERMEDIARIES IN THE EEA**



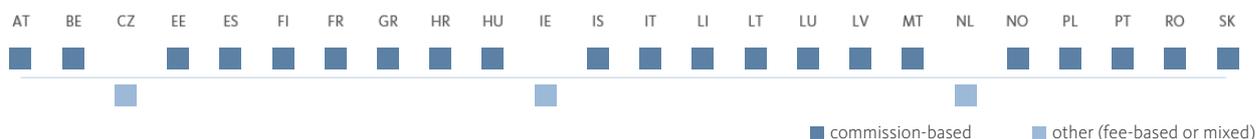
### LEGAL STATUS OF INTERMEDIARIES



In addition to the ongoing decline in the number of intermediaries, another notable trend has emerged. As indicated by the charts on the left, more and more insurance intermediaries are opting to register as legal persons.

The bottom chart illustrates the prevailing method of remuneration for intermediaries across member states. Commission-based models take the lead in most markets. Only in three countries are alternative remuneration structures the more popular choice.

### MOST COMMON REMUNERATION TYPE PER MEMBER STATE IN 2022



# MAIN TAKEAWAYS

## 1 QUALITY OF ADVICE AND SELLING METHODS

- > IMPROVEMENTS IN SOME MEMBER STATES:
  - enhanced digital selling methods as a result of corrective measures by National Competent Authorities (NCAs)
  - improved quality of advice and selling methods following assessment of quality of disclosures/advice by NCAs
- > SIGNIFICANT SHORTCOMINGS OBSERVED IN SOME MARKETS:
  - demands and needs of customers are not properly taken into account
  - failure to provide pre-contractual information

## 2 SUSTAINABILITY PREFERENCES

- > Challenges for consumers to understand the disclosures and complex concepts
- > Challenges for insurance distributors to find appropriate training
- > Lack of data which limits manufacturers' ability to offer sustainable products
- > Concerns about new rules lengthening and complicating an already long suitability process

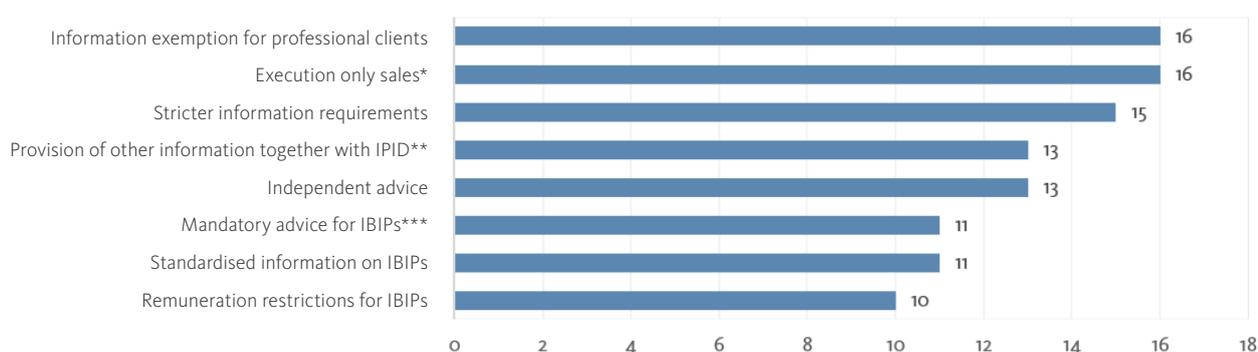
## 3 REMUNERATION AND CONFLICTS OF INTEREST

- > SUPERVISORY ACTIVITIES HAVE REVEALED SOME WEAKNESSES:
  - inducement analysis is often standardised and does not examine whether customers' interests could be harmed
  - remuneration policies are mostly based on quantitative and not qualitative criteria
- > National legislation in some member states addressed shortcomings by introducing commission caps for certain products or disclosing the amount of remuneration

## 4 CROSS-SELLING

- > SIGNIFICANT SHORTCOMINGS RELATED TO CROSS-SELLING THAT COULD CAUSE DETRIMENT TO CONSUMERS
  - for example: sale of mobile phone insurance together with the mobile phone without sufficient advice

## MOST FREQUENTLY USED NATIONAL OPTIONS UNDER IDD



\* Execution only sales are non-advised sales without suitability or appropriateness assessments

\*\* IPID: Insurance Product Information Document

\*\*\* IBIPs: Insurance-based investment products

## LEARN MORE



Visit the dedicated webpage:  
[https://www.eiopa.europa.eu/publications/second-idd-application-report-20222023\\_en](https://www.eiopa.europa.eu/publications/second-idd-application-report-20222023_en)

## CONTACT US

Westhafenplatz 1,  
60327 Frankfurt am Main, Germany  
<https://www.eiopa.europa.eu/>

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