

Country-by-country analysis

LATVIA

Annex VII to the 2nd Report on the application
of the Insurance Distribution Directive (IDD)

Consumer Protection Department
EIOPA REGULAR USE
EIOPA-BoS-23-480
29 November 2023



eioipa

European Insurance and
Occupational Pensions Authority

Note:

Powers of national competent authorities (NCAs):

In February 2023, 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 responses from 30 NCAs¹ to this survey.

Changes in the EU insurance distribution market:

In February 2023, 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 responses from 30 NCAs² 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.

¹ AT (BMAW and FMA), BE, BG, CY, CZ, DK, EE, ES, FI, FR, GR (UHC and BOG), HR, HU, IE, IT, LI, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SI, SK

² AT (BMAW and FMA), BE, BG, CY, CZ, DK, EE, ES, FI, FR, GR (UHC and BOG), HR, HU, IE, IT, LI, LT, LU, LV, MT, NL, NO, PL, PT, RO, SE, SI, SK

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

General data of the national market (2022):

	Amounts	Share total EEA
Population (in 1000) ³	1,876	0.4%
(Re)insurance GWP (in million) ⁴	623,982	0.05%
Number of (re)insurance undertakings ⁵	6	0.3%
Number of registered insurance intermediaries	1397	0.2%

National competent authority:

Latvijas Banka

³ Based on eurostat data for 1 January 2022:

<https://ec.europa.eu/eurostat/databrowser/view/tps00001/default/table?lang=en>

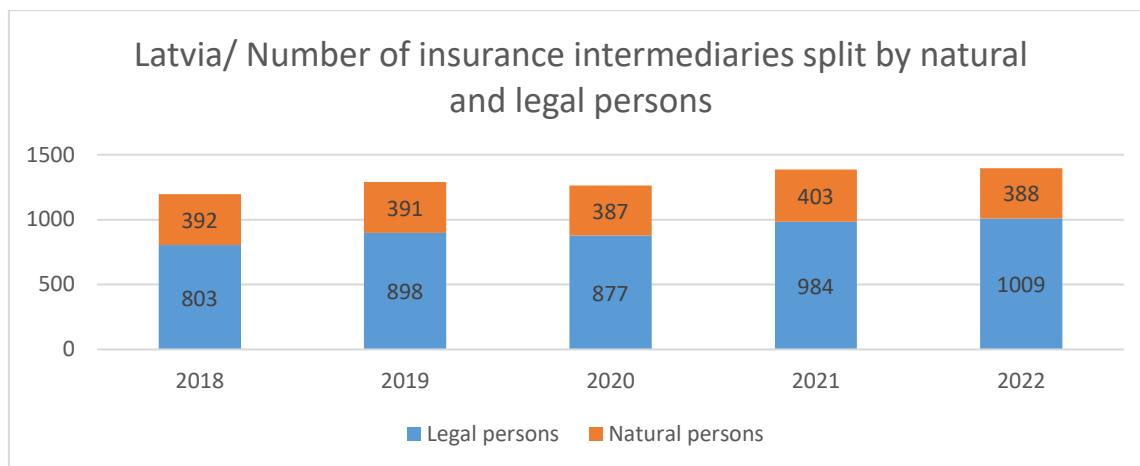
⁴ "(Re)insurance GWP includes life and non-life premiums generated by domestically registered undertakings year-end 2022 based on annually reported SII information:

https://www.eiopa.europa.eu/publications/european-insurance-overview-report-2023_en

⁵ Number of (re)insurance undertakings (year-end 2022) includes the domestically registered undertakings. Based on SII information:

https://register.eiopa.europa.eu/layouts/15/download.aspx?SourceUrl=https://register.eiopa.europa.eu/Publications/Insurance%20Statistics/SQ_Premiums_Claims_Expenses.xlsx

Registered insurance intermediaries split by natural and legal persons:



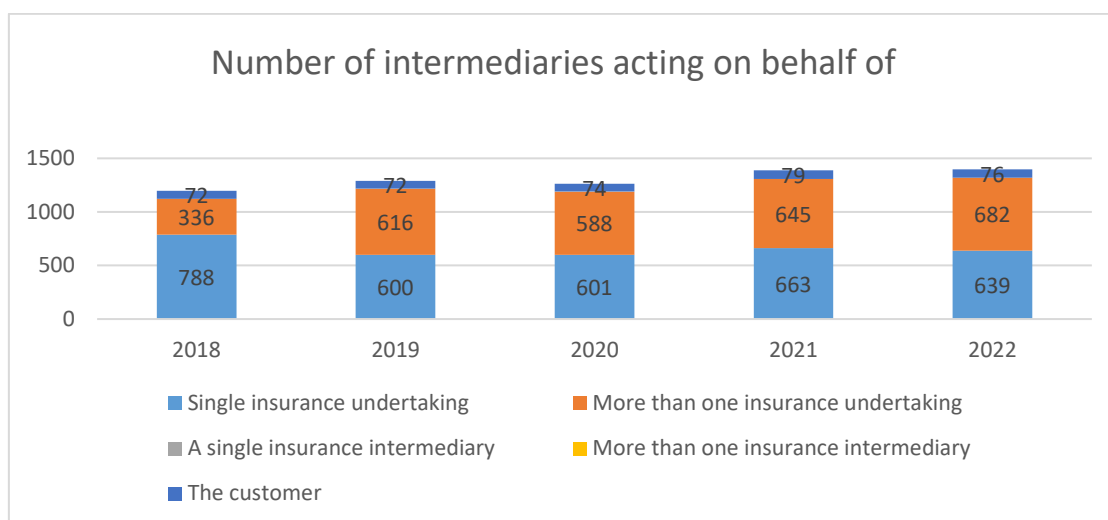
Comments provided by the NCA on the figures included in the chart above:

Information covers total number of all insurance intermediaries in Latvia (brokers, insurance agents and ancillary insurance intermediaries).

Online registration system:

In Latvia the registration system is fully integrated in the Latvijas Banka's webpage where the application form could be filled online, all the necessary documents added to the form and directly submitted to the Latvijas Banka for the registration. The registration is fully distant and no physical meetings or resubmissions of any documents are required. The information on the number of registered insurance intermediaries is updated continuously.

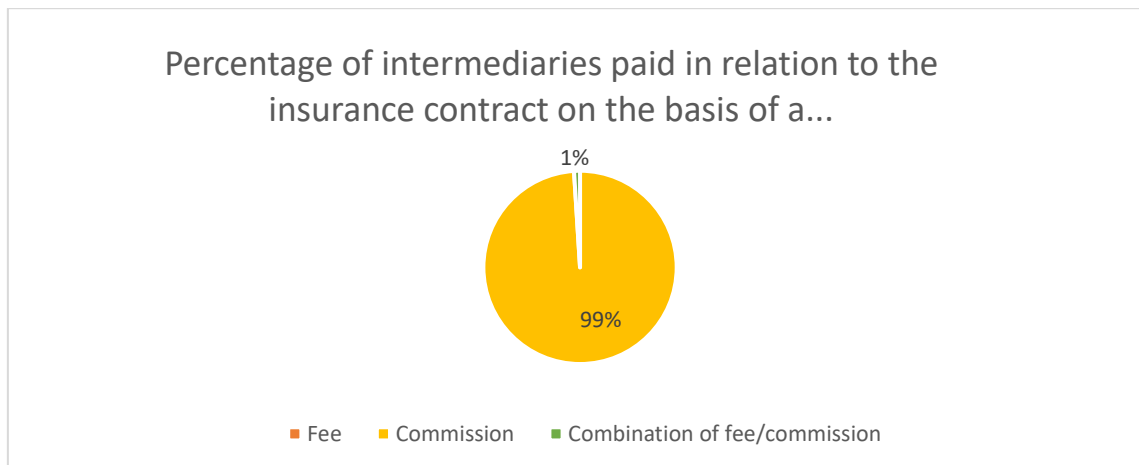
Registered insurance intermediaries split by categories based on the activities of insurance intermediaries:



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

Information covers total number of all insurance intermediaries in Latvia (brokers, insurance agents and ancillary insurance intermediaries).

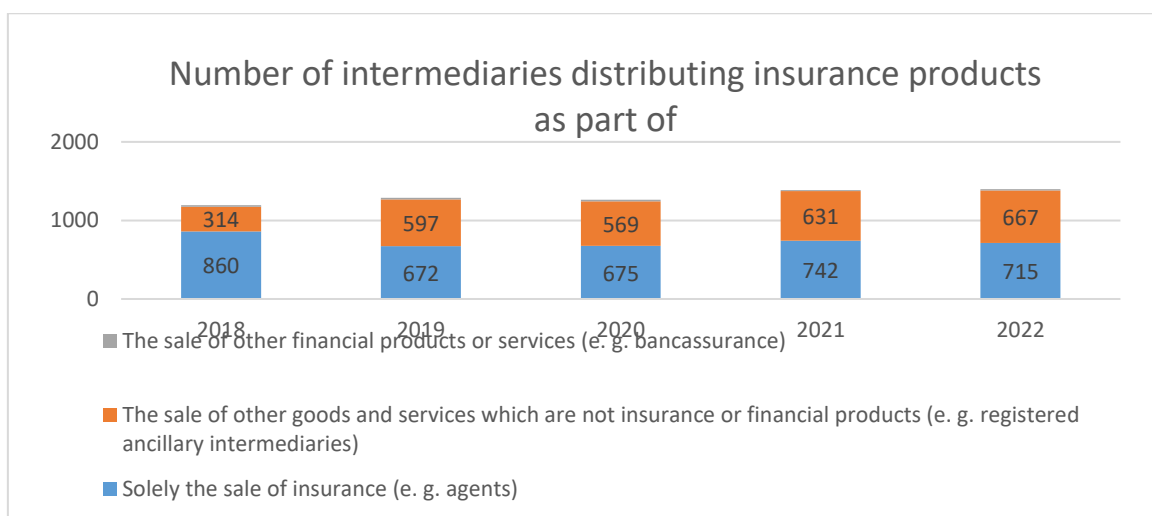
Way of remuneration of insurance intermediaries in relation to the insurance contract in 2022:



Comments provided by the NCA on the figures above :

The remuneration based on commissions are the dominant type of remuneration in the market. Also in those very few cases where market participants indicated other type of remuneration, they commented that these particular types of remuneration is also connected to commissions.

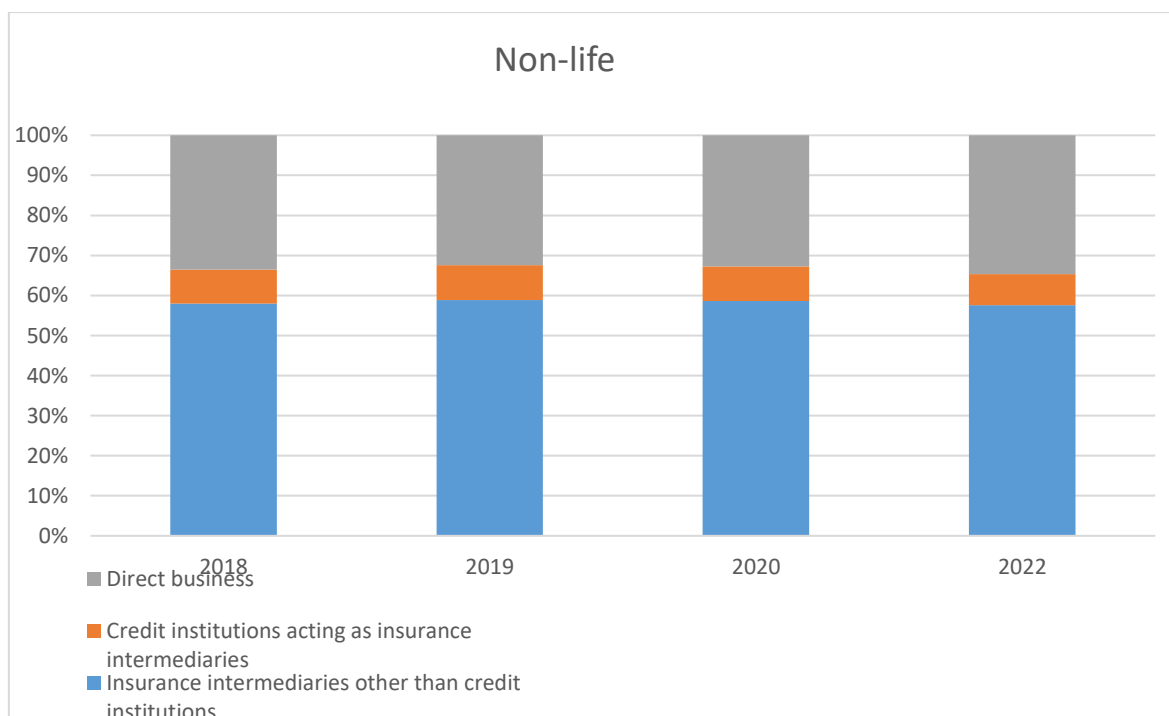
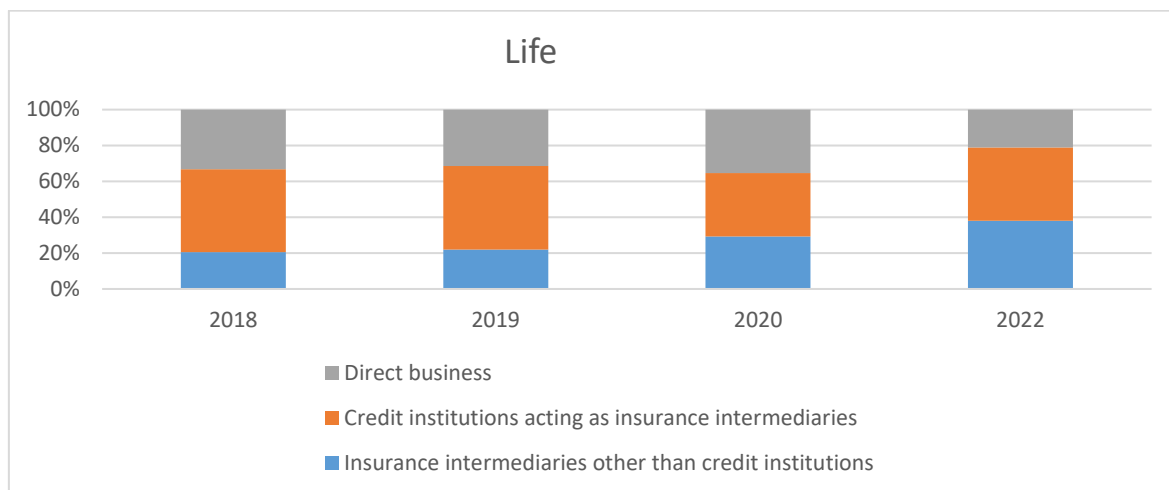
Registered insurance intermediaries split by categories based on the basis in which they sell insurance products:



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

Information covers total number of all insurance intermediaries in Latvia (brokers, insurance agents and ancillary insurance intermediaries).

GWP split by distribution channels:



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

Information is gathered directly from insurers and fully cover insurance market in Latvia (total GWP in Latvia).

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

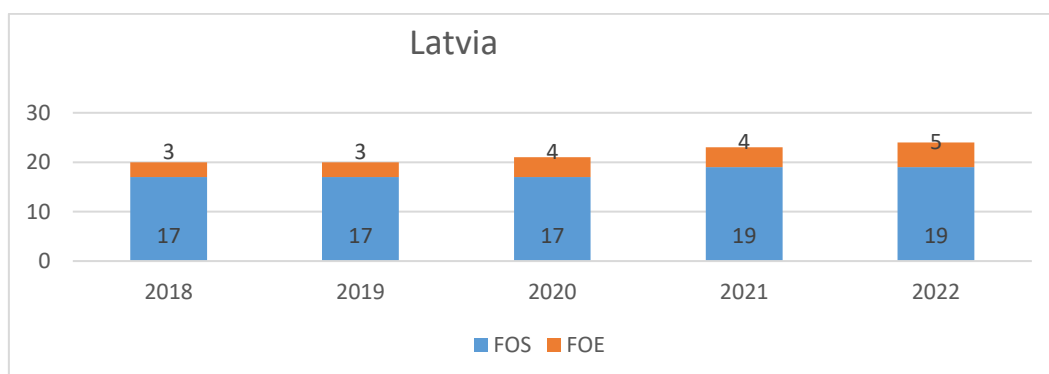
Total insurance business: online sales compose 4.3% from direct sales and 7.1% from intermediation. The total online sales in insurance compose 11.4%.

From that:

Non-life insurance: online sales compose 3.1% from direct sales and 9.0% from intermediation. The total online sales in non-life insurance compose 12.1%.

Life insurance: online sales compose 8.8% from direct sales and 0% from intermediation. The total online sales in life insurance compose 8.8%.

Number of domestic insurance intermediaries with a passport to carry out insurance distribution 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:

Information covers the data about insurance brokers that carries out insurance distribution activities under FoS and FoE.

Number of insurance intermediaries with a passport to carry out insurance distribution activities under FOS or under FOE at the reference date 31.12.2022 split by host Member State:⁶

	1. FOS	2. FOE	3. TOTAL
Austria	9	0	9

⁶ The row "Total EEA" and the column "3. TOTAL" count the same insurance intermediary only once where the insurance intermediary operates both under FoS and FoE or in several Member States at the same time.

<i>Belgium</i>	8	0	8
<i>Bulgaria</i>	7	0	7
<i>Cyprus</i>	9	1	10
<i>Croatia</i>	3	0	3
<i>Czech Republic</i>	9	0	9
<i>Denmark</i>	7	0	7
<i>Estonia</i>	14	2	16
<i>Finland</i>	9	0	9
<i>France</i>	9	0	9
<i>Germany</i>	10	0	10
<i>Greece</i>	7	0	7
<i>Hungary</i>	7	0	7
<i>Iceland</i>	2	0	2
<i>Ireland</i>	7	0	7
<i>Italy</i>	7	0	7
<i>Latvia</i>	0	0	0
<i>Liechtenstein</i>	2	0	2
<i>Lithuania</i>	17	3	20
<i>Luxembourg</i>	9	0	9
<i>Malta</i>	7	0	7
<i>Netherlands</i>	7	0	7
<i>Norway</i>	2	0	2
<i>Poland</i>	10	0	10
<i>Portugal</i>	7	0	7
<i>Romania</i>	7	0	7
<i>Slovakia</i>	10	0	10
<i>Slovenia</i>	7	0	7
<i>Spain</i>	7	1	8
<i>Sweden</i>	9	0	9
<i>Total EEA</i>	225	7	232

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

Information covers the data about insurance brokers that carries out insurance distribution activities under FoS and FoE.

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

About 25% of the insurance brokers have applied notification to be able to carry out insurance distribution activities abroad (via FoS or FoE), but not all of them are providing insurance services abroad in fact. Mainly insurance brokers work abroad in two other Baltic countries (Estonia and Lithuania) what is usual and characteristic for the insurance market in region.