

# Country-by-country analysis - France

Annex IX to the Report on the application of the  
Insurance Distribution Directive (IDD)

Consumer Protection Department  
EIOPA REGULAR USE  
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 French Prudential Supervision and Resolution Authority (ACPR) 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 French Prudential Supervision and Resolution Authority (ACPR) 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.

## FRANCE

### 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>	67,098	15.0%
(Re)insurance GWP (in million) <sup>2</sup>	283,027.39	18.2%
Number of (re)insurance undertakings <sup>3</sup>	453	18.7%
Number of registered insurance intermediaries	58,454	6.5%

National competent authority:

French Prudential Supervision and Resolution Authority (ACPR) and the French Banking, Insurance and Financial register (ORIAS)

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

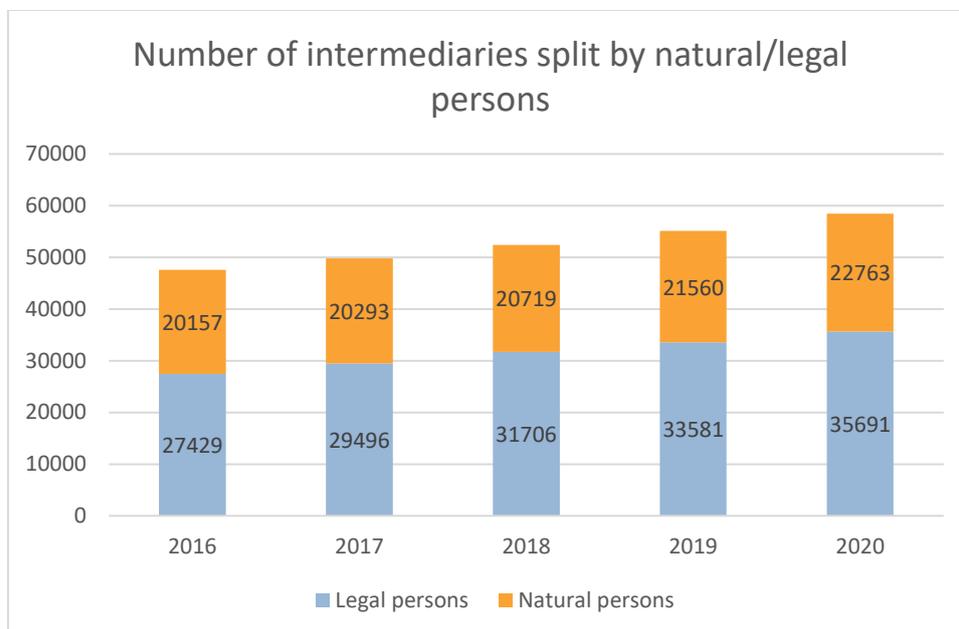
<https://ec.europa.eu/eurostat/documents/2995521/11081093/3-10072020-AP-EN.pdf/d2f799bf-4412-05cc-a357-7b49b93615f1>

<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)

Registered insurance intermediaries split by natural and legal persons:



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

These data come from ORIAS'annual report for 2016, 2017, 2018, 2019, 2020.

These different reports are available thanks to this link : <https://www.orias.fr/web/guest/espace-professionnel>

see the paragraph ("DERNIERES ACTUALITES").

Since 2016, the total number of French insurance intermediaries has increased by 23% (the average annual increase is 5.3%). The entry in application of IDD has not had a significant impact. The annual increase is more or less the same for 2019 and 2020 than for 2017 and 2018.

**The overall growth in the number of intermediaries is mainly due to the growth in the number of legal intermediaries (+30 % since 2016), although the number of natural intermediaries has also grown since 2016, albeit to a lesser extent (+13%).** The implementation of IDD coincides with a rebalancing of the annual growth rates of the two categories. The number of natural intermediaries has increased faster in 2019 and 2020 than during the two years before. Nonetheless, legal persons are clearly majority on the French market (61% in 2020).

Focus on our registration system:

A. Online registration

Please note that ORIAS, which is the french banking, insurance and financial intermediaries register, has developed an online registration system on its website.

This online registration system is available to the following link:

<https://pro.orias.fr/fr/enrolment/step1>

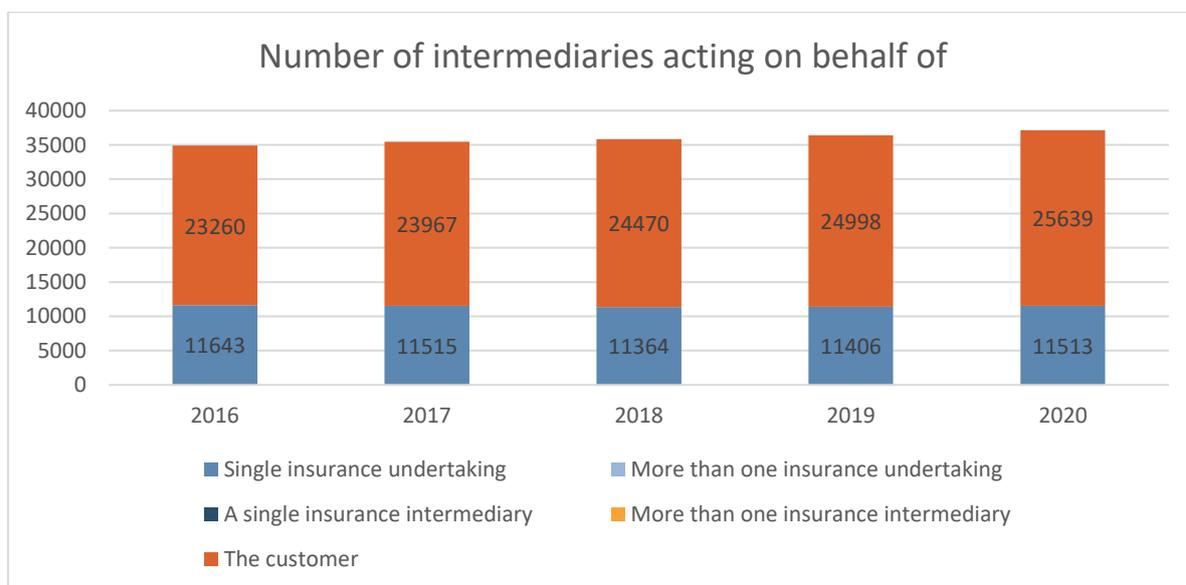
A guide has been created to help all website users in case of registration:

[https://www.orias.fr/documents/10227/0/2018.02.27\\_ORIAS%20-%20Guide%20Utilisateur%20-%20Enregistrement%20d%27un%20compte%20en%20ligne.pdf](https://www.orias.fr/documents/10227/0/2018.02.27_ORIAS%20-%20Guide%20Utilisateur%20-%20Enregistrement%20d%27un%20compte%20en%20ligne.pdf)

### B. Updating frequency of insurance intermediaries' data

The entries and deletions from the register are updated at the end of each registration commission, ie approximately every 3 weeks. In addition, the register is updated in real time concerning other modifications (contact details, notification, etc.)

### 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:

The data are based on the French regulatory categories, of which there are four.

A part of the population of French insurance intermediaries does not appear in the above chart. These are intermediaries registered under the following two national regulatory categories:

- 'Insurance intermediary representatives' and
- 'Tied insurance representatives'.

The breakdown by the number of insurance intermediaries/companies with which they work is not available for these categories of insurance intermediaries. (A tied insurance agent or an insurance intermediary representative can work for different insurance undertakings or intermediaries under separate distribution agreements – but this information is not available).

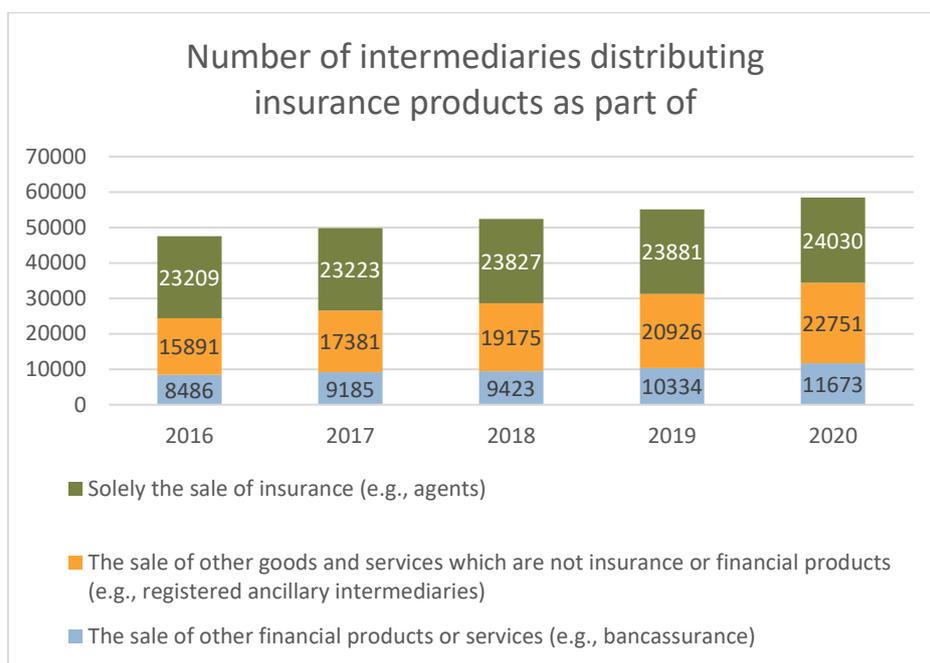
Therefore, the previous chart is only based on the number of insurance intermediaries in the 'brokers' category (acting on behalf of customer) and the number of insurance intermediaries in the 'agents' category (single insurance undertaking).

**The number of brokers has increased since 2016 whereas the number of agents has slightly decreased.**

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

No statistical data is available on this subject. Based on ACPR's supervisory experience, **it appears that commissions are by far the most common form of remuneration for products aimed at retail customers, whereas fees are a more common form of remuneration for distribution to professional customers.**

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:

This data comes from ORIAS's annual reports. For your perfect information, the repartition between the different aforementioned categories has been made by the following methodology :

“The sale of other financial products or services (e.g bancassurance)” category correspond to the subtraction of the total of Intermediaries registred under financial and insurance activites less the Total of intermediaries distributing solely the sale of insurance ;

“The sale of other goods and services which are not insurance or financial products” category corresponds to the subtraction of the total of registered Insurance intermediaries less the total of intermediaries registered under financial and insurance activities. This result corresponds to insurance intermediaries who have a main professionnall activity like real estate or cars' reparation.

Concerning the category “solely the sale of insurance”, the figures correspond to the addition of the following elements :

For 2016 : Agents without banking and financial activity ( 5515) + only Brokers (9443) + Brokers and Agents (7456) + Brokers and insurance representatives (795) ;

For 2017 : Agents without banking and financial activity (5467) + only Brokers (9688) + Brokers and Agents (7113) + Brokers and insurance representatives (955);

For 2018 : Agents without banking and financial activity (5568) + only Brokers (9948) + Brokers and Agents (6939) + Brokers and Agents and insurance representatives (330) + Brokers and insurance representatives (1042)

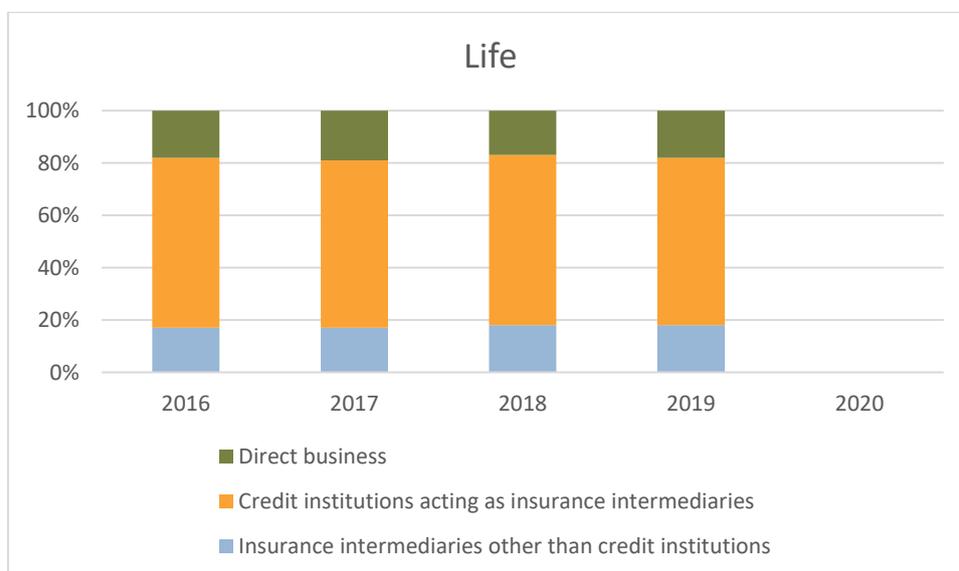
For 2019 : Agents without banking and financial activity (5666) + only Brokers (10209) + Brokers and Agents (6892) + Brokers and Agents and Insurance representatives (329) + Brokers and insurance representatives (785).

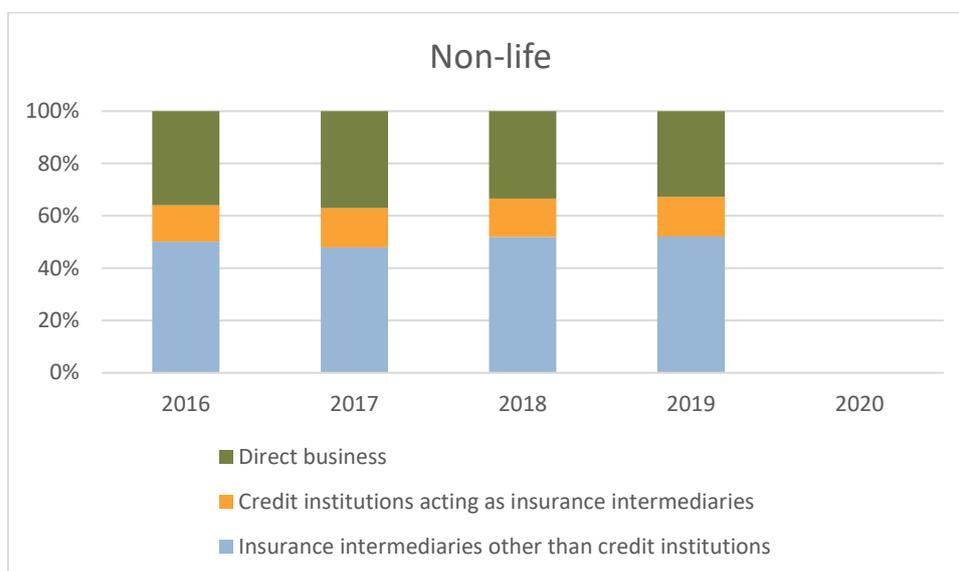
For 2020 : Agents without banking and financial activity (5369) + only Brokers (10532) + Brokers and Agents (6893) + Brokers and Agents and Insurance representatives (343) + Brokers and Agents and insurance representatives (893).

Over the period under review, **it is clear that the increase in the number of insurance intermediaries (+23%) is driven by the increase in the number of intermediaries also selling other financial products (+38%) and the increase in the number of intermediaries selling other products or services (+43%).** The number of pure insurance intermediaries has almost remained stable (+4%). **The entry into force of the IDD does not seem to have had any impact on this trend, which was already underway in 2017 and 2018.**

**Pure insurance intermediaries are now clearly minority (41%). It was not so clear in 2016 (49%).**

GWP split by distribution channels:





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

These data come from publications by the French Insurance Federation (FFA):

For years 2016 and 2017, data have been extracted from "tableau de bord 2017" <https://www.ffa-assurance.fr/etudes-et-chiffres-cles/tableau-de-bord-de-assurance-en-2017>

For years 2018 and 2019, data have been extracted from "L'assurance française : données clefs par année"

<https://www.ffa-assurance.fr/etudes-et-chiffres-cles/assurance-francaise-donnees-cles-par-annee> ).

These data are largely representative of the French market but are not totally exhaustive. Indeed, they do not reflect the activity of insurance organisations that do not fall under the French insurance code (i.e. mutual insurance companies and provident institutions governed by other codes).

**The main channel for marketing life insurance products in the French market is bancassurance (64% of GWP).** The remainder is divided roughly equally between direct sales and other insurance intermediaries.

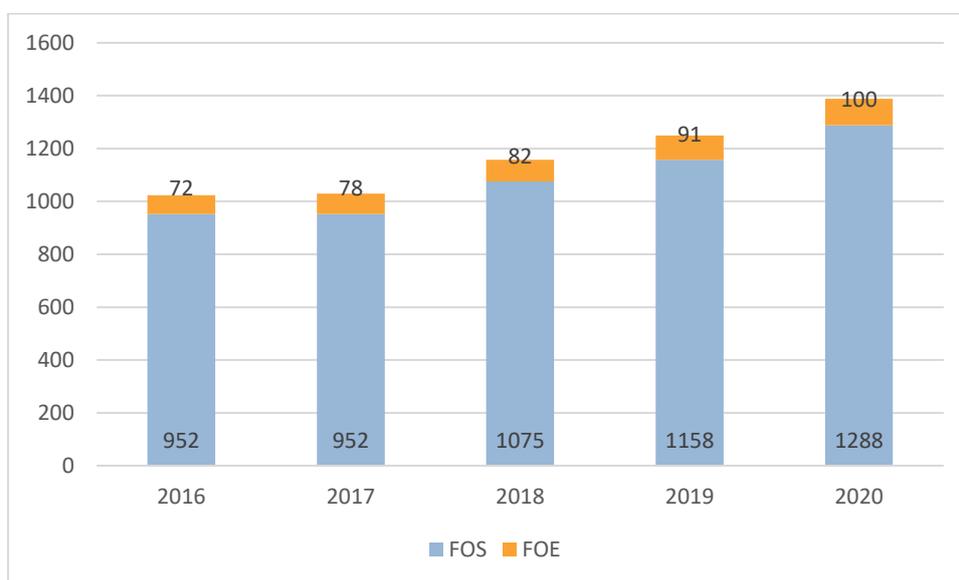
In non-life insurance, the share of bancassurance appears much more limited. Marketing via other insurance intermediaries accounts for about half of premiums (52%). Direct distribution also plays an important role (33%).

**It is fair to assume that the entry into force of IDD did not have a significant impact on the GWP split by distribution channels.**

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

It is likely to have increased in the recent years. However, no statistical data is available on this subject.

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:

We note an increase in the number of intermediaries having a passport. Since 2016, the total number of French insurance intermediaries has increased by 23% whereas **the number of French insurance intermediaries with a passport has risen by 35%. However, these intermediaries still represent a very minority part of the total (2.3%).**

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:

Host Member State	1. FOS	2. FOE	3. TOTAL

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<i>Austria</i>	543	4	547
<i>Belgium</i>	878	21	899
<i>Bulgaria</i>	376	1	377
<i>Cyprus</i>	381	1	382
<i>Croatia</i>	271	0	271
<i>Czech Republic</i>	394	1	395
<i>Denmark</i>	421	1	422
<i>Estonia</i>	379	0	379
<i>Finland</i>	404	1	405
<i>France</i>	0	0	0
<i>Germany</i>	626	11	637
<i>Greece</i>	408	3	411
<i>Hungary</i>	405	2	407
<i>Iceland</i>	359	0	359
<i>Ireland</i>	463	3	466
<i>Italy</i>	657	21	678
<i>Latvia</i>	376	0	376
<i>Liechtenstein</i>	349	0	349
<i>Lithuania</i>	376	0	376
<i>Luxembourg</i>	850	11	861
<i>Malta</i>	398	1	399
<i>Netherlands</i>	514	5	519
<i>Norway</i>	376	2	378
<i>Poland</i>	436	5	441
<i>Portugal</i>	591	20	611

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<i>Romania</i>	392	3	395
<i>Slovakia</i>	385	2	387
<i>Slovenia</i>	380	1	381
<i>Spain</i>	681	26	707
<i>Sweden</i>	420	2	422
<i>Total EEA</i>	13,489	148	13,637

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

A high number of French insurance intermediaries exercise their activity in FOS or FOE on markets with the same native language. Luxembourg (861) and Belgium (899) are the highest numbers. Large markets that share a common border with the French territory also have high numbers (Germany, Italy and Spain).

## Information on the powers of the NCA

### Statutory powers to implement the IDD:

Registration (Article 3 of IDD) of insurance intermediaries is carried out by ORIAS, an administrative body dealing with the register of financial intermediaries (banking, investment and insurance) acting in France (see Articles L. 512-1 & seq. of the French Insurance Code). Registrations shall be renewed annually. Passport notifications (Article 4 and 6 of IDD) of insurance intermediaries are also dealt with by ORIAS (see Articles L. 515.1 & seq. of the French Insurance Code).

Since 2010, according to article L. 612-1, I of the French Monetary and Financial Code, ACPR is inter alia in charge of ensuring the protection of customers of insurance undertakings and intermediaries. ACPR is also in charge of ensuring that insurance undertakings and insurance intermediaries comply with EU and French insurance legal requirements, in particular those relating to customer protection.

Accordingly, ACPR is empowered :

- to carry out market monitoring (Article 1(5) of IDD) (see Article L. 612-23 & seq. of the French Monetary and Financial Code);
- in case of breaches, to pronounce administrative sanctions and other measures, including their publication and to carry out required reporting (Articles 31, 32, 33, 34 of IDD) as follows:
  - Administrative measures (see Articles L. 612-30 & seq. of the French Monetary and Financial Code): warning and injunction measures published in the ACPR's official register.
  - Disciplinary proceedings and administrative sanctions, depending on the seriousness of the breaches (see Articles L. 612-38 & seq. of the French Monetary and Financial Code): warning, blame, total or partial prohibition to carry out activities, temporary suspension or compulsory resignation of top managers, total or partial withdrawal of authorization. In addition to these sanctions, a fine (up to €100,000,000) can be pronounced.

ACPR is empowered to report to EIOPA about administrative sanctions and other measures (Article 36 of IDD) (see Article L. 612-38 of the French Monetary and Financial Code).

Concerning mechanisms of breaches' reporting (Article 35 of IDD – see Articles L. 634-1 & seq. of the French Monetary and Financial Code):

- The French Financial Market Authority, the Banque de France and the ACPR have developed a common internet platform to inform consumers about what steps to take in case of litigation with insurance distributors.

- The French General Directorate for Competition Policy, Consumer affairs and Fraud has also recently developed an internet platform where consumers can report any difficulty they have with a professional.

ACPR is also empowered under Articles 5 and 8 of IDD in relation to EU insurance intermediaries acting in France under freedom to provide services or freedom of establishment (see Articles L. 515-2 and L. 515-4 of the French Insurance Code as well as Article L. 612-2 III of the French Monetary and Financial Code). French general good rules are published on ACPR website (please see the paragraph : ‘Liste non exhaustive des règles d’intérêt général relatives au Livre V du Code des assurances sur l’exercice des activités de distribution d’assurances et de réassurances en France (article 11 de la directive UE 2016/97 du 20 janvier 2016)’.

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

We are sufficiently empowered to ensure the 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	3	2
Data-driven market monitoring, beyond complaints data analysis	3	4
Thematic reviews	4	4
Mystery shopping	1	1
On-site inspections	5	5
Off-site monitoring	2	1
Consumer focus groups	1	1

Product oversight activities	3	3
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:

With respect to ACPR supervisory tools, on-site inspections is clearly the main one. Then come thematic reviews that are performed by mean of questionnaire and that relate to specific subjects (like the marketing of durable IBIPs for example). These two main tools are complemented by a regular reporting on conduct of business aspects and potential investigations arising from complaints or whistleblowing. In these cases, the assessment of products is mainly performed from the angle of their compliance with current regulatory provisions relating to the insurance contract law. In case of on-site inspections of insurers or thematic reviews, ACPR’s supervisors adopt a broader view and examine all relevant aspects (remuneration and conflict of interest requirements, product oversight and governance implementation, ...). Continuous monitoring of advertisements for insurance products, regular exchanges with consumer associations, competent ombudsmen, professional associations, regular analysis of the press and complaints received by type of product and theme, as well as an annual reporting on marketing issues constitute the core of our market monitoring tools.

The ORIAS performed a systematic check that all organisational requirements are met before any registration.

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.

**EIOPA**

Westhafen Tower, Westhafenplatz 1

60327 Frankfurt – Germany

Tel. + 49 69-951119-20

[info@eiopa.europa.eu](mailto:info@eiopa.europa.eu)

<https://www.eiopa.europa.eu>