

Country-by-country analysis CZECHIA

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

CZECHIA

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	10,517	2.3%
(Re)insurance GWP (in million) ⁴	8,386.338	0.6%
Number of (re)insurance undertakings ⁵	22	1.3%
Number of registered insurance intermediaries	32448	3.7%

National competent authority:

Czech National Bank

³ Based on eurostat data for 1 January 2022:

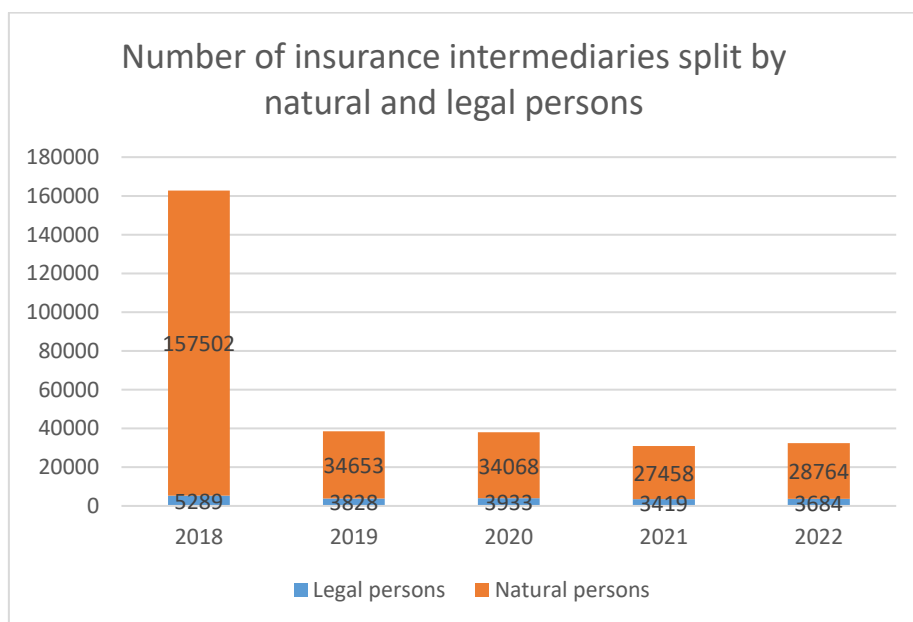
<https://ec.europa.eu/eurostat/databrowser/view/tps00001/default/table?lang=en>

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:**

The number of registered insurance intermediaries sharply decreased in 2019 as a result of changes in our registration system (yearly re-registration fees and simplified removal procedures), enabling us to delete inactive intermediaries efficiently.

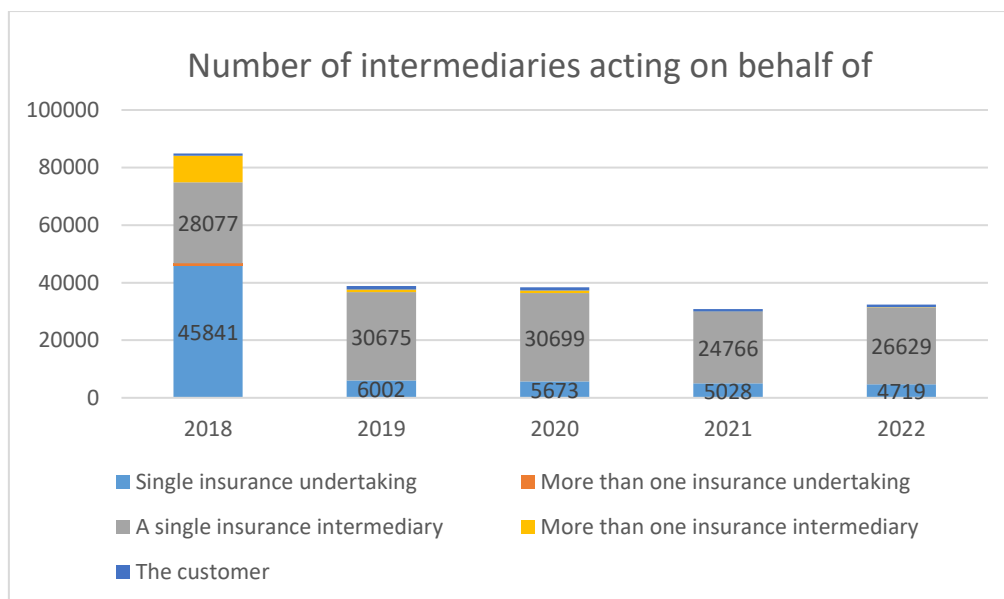
Please note that none of our data on insurance intermediaries takes account of policy-holders that act as sellers/service providers and provide an insurance cover to their customers under group insurance contracts. Under Czech law, this activity does not require registration.

Online registration system:

Independent intermediaries can opt to be registered using an online registration tool called "REGIS". Via REGIS, they can access an online registration form, fill out all the requested information and submit all required documents so that their application can be reviewed by the competent department and (dis)approved. Contrastingly, tied agents and ancillary insurance intermediaries must be registered using the REGIS online registration tool. Unlike independent intermediaries, tied agents and ancillary insurance intermediaries do not submit the registration form themselves - instead, the principal (insurance undertaking/independent intermediary/intermediary from another MS) submits it on their behalf. The registration is done automatically without any formal review of the application; it is the responsibility of the principal

to ensure that its tied agents and ancillary insurance intermediaries meet all the legal requirements for registration. The information on the number of registered insurance, reinsurance and ancillary insurance intermediaries is updated once a day.

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

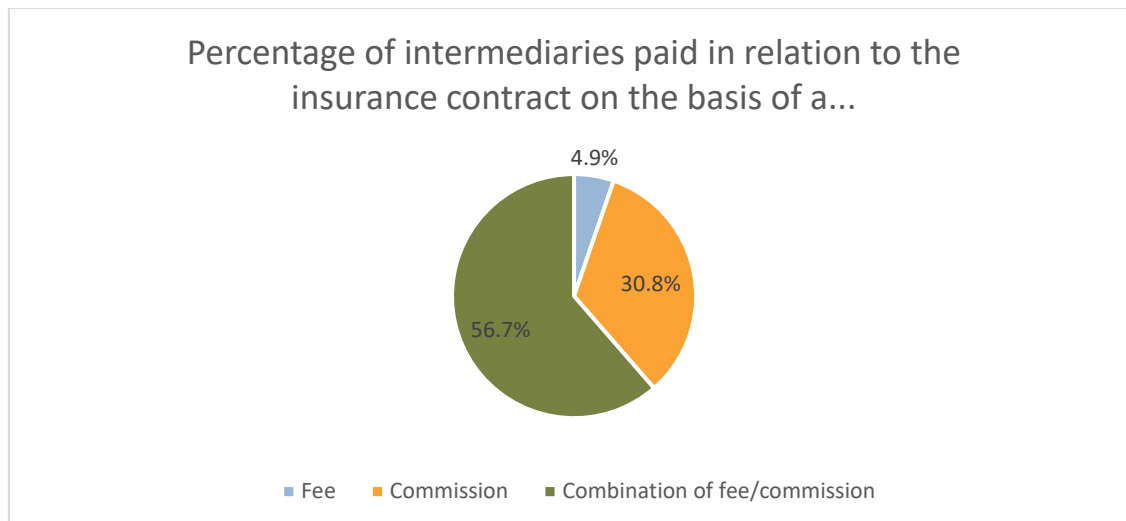


Comments provided by the NCA on the figures included in the chart above:

The total numbers of registered intermediaries provided in this question do not equal the totals provided on page 50 because the applicable domestic legislation currently permits (or used to permit at some point during the applicable time period) insurance intermediaries to combine certain roles and to act on behalf of multiple entities under certain conditions.

For instance, it is not uncommon for registered ancillary insurance intermediaries to simultaneously represent insurance undertakings and insurance intermediaries. Similarly, "independent intermediaries" are allowed to offer services to customers both as brokers (in which case they are paid by the customer and are barred from accepting payments from the insurance undertaking) and as agents (in which case they receive a commission from the insurance undertaking). Certain insurance intermediaries are thus included more than once (e.g with regards to the category insurance intermediaries acting on behalf of more than one insurance undertaking, insurance intermediaries acting on behalf of the customer), thereby increasing The total number of registered intermediaries in this chart.

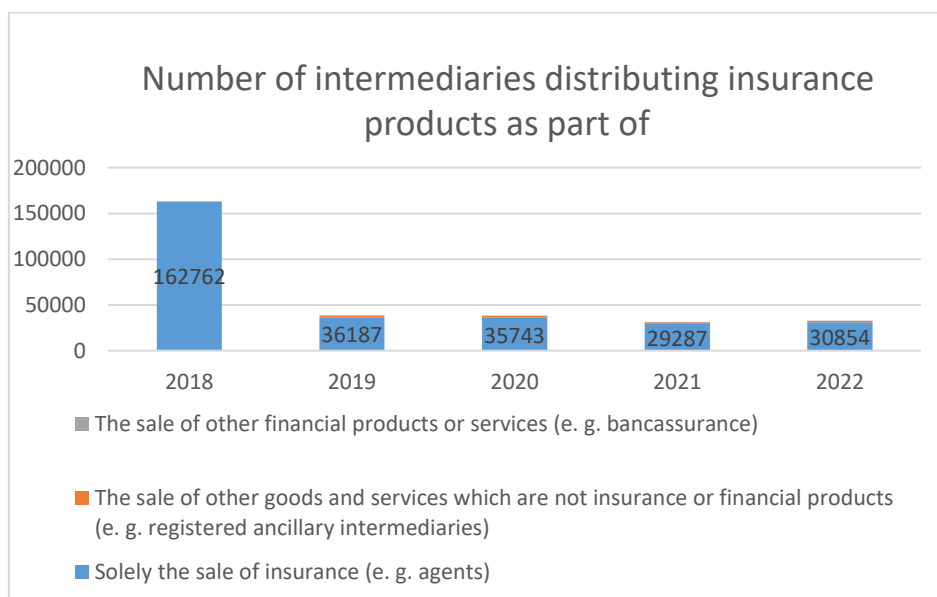
Way of remuneration of insurance intermediaries in relation to the insurance contract in 2022:



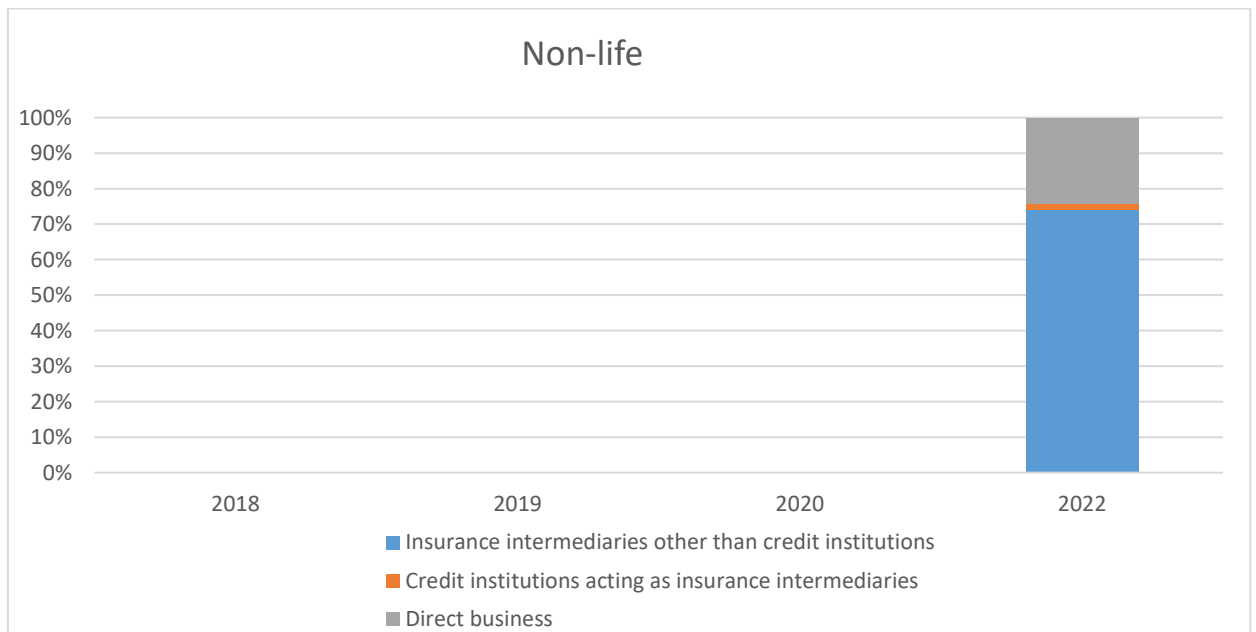
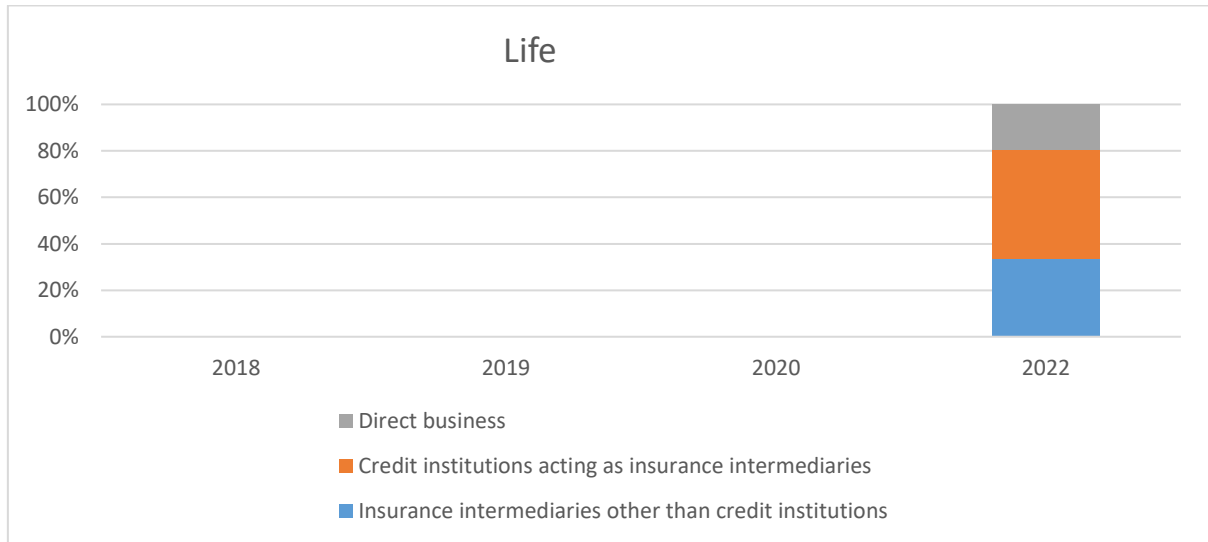
Comments provided by the NCA on the figures above :

The sum of above percentages is not 100 % due to 63 insurance intermediaries (whose share of the entire market is 7,66 %) that did not yet submit their annual statement. The numbers reflect only independent intermediaries. The inclusion of tied agents, which are mostly natural persons and are overwhelmingly paid on the basis of commission, would skew the numbers (intermediaries distributing on the basis of commission would amount to 98,25 %)

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

Amounts above are denominated in EUR (converted from CZK based on the ECB CZK/EUR average exchange rate for 2022). Based on national reporting including insurance undertakings licensed in CZ by CNB (w/o FOE and FOS) and Intermediaries reporting. Split for life/non-life based on intermediaries reporting. GWP is reported only on new contracts (w/o renewals).

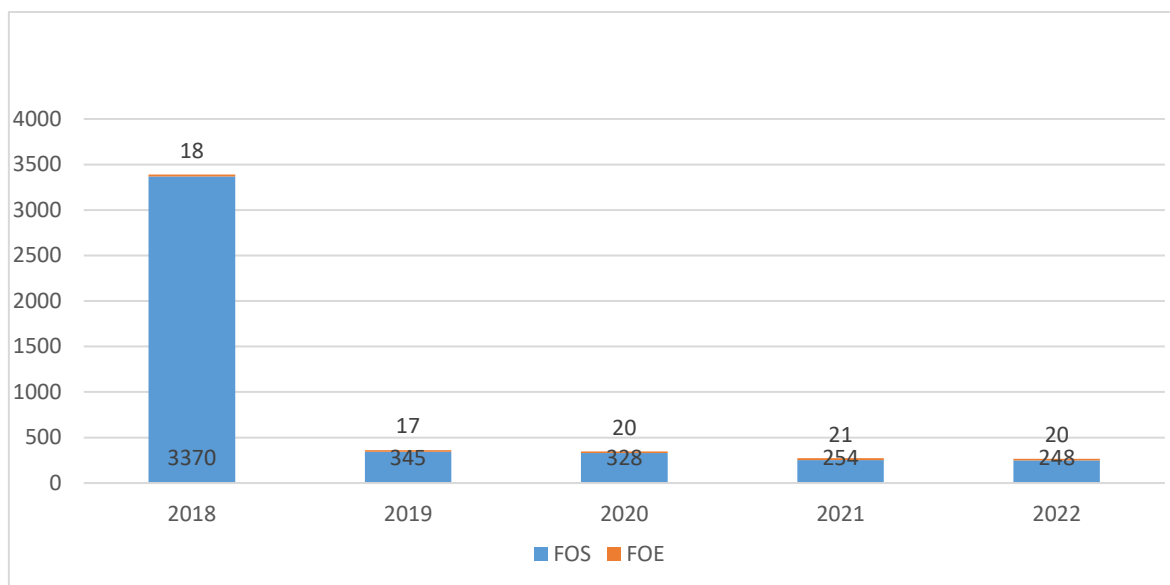
Proportion of online intermediation/sales (e.g. directly via websites, mobile applications, e-mails) in terms of the total volume of gross written premiums:

25 545 673 - sales through insurance undertakings' websites

Comments provided by the NCA on the data above:

Amount above is denominated in EUR (converted from CZK based on the ECB CZK/EUR average exchange rate for 2022). Based on national reporting including insurance undertakings licensed in CZ by CNB (w/o FOE and FOS). GWP is reported only on new contracts (w/o renewals).

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)



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
<i>Austria</i>	115	0	115
<i>Belgium</i>	72	0	72
<i>Bulgaria</i>	34	1	34
<i>Cyprus</i>	66	1	66
<i>Croatia</i>	20	0	20
<i>Czech Republic</i>	0	0	0
<i>Denmark</i>	68	0	68
<i>Estonia</i>	65	0	65
<i>Finland</i>	66	0	66
<i>France</i>	77	0	77
<i>Germany</i>	112	0	112
<i>Greece</i>	67	0	67
<i>Hungary</i>	101	1	102
<i>Iceland</i>	55	0	55
<i>Ireland</i>	72	0	72
<i>Italy</i>	73	1	73
<i>Latvia</i>	66	0	66
<i>Liechtenstein</i>	57	0	57
<i>Lithuania</i>	69	0	69
<i>Luxembourg</i>	68	0	68
<i>Malta</i>	64	0	64
<i>Netherlands</i>	71	0	71
<i>Norway</i>	62	0	62
<i>Poland</i>	125	1	125
<i>Portugal</i>	67	0	67
<i>Romania</i>	33	2	34
<i>Slovakia</i>	239	16	247
<i>Slovenia</i>	70	0	70
<i>Spain</i>	70	1	70
<i>Sweden</i>	69	0	69
<i>Total EEA</i>	2193	24	2203

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

In total, 10 insurance intermediaries have a FOS passport to carry out insurance mediation in all EEA states listed in table above.

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.

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

Most cross-border activities occur in Slovakia: 94% of Czech insurance intermediaries with a FOS passport are passported into Slovakia. This close connection to Slovakia is largely due to historical bonds and virtually non-existent language barrier.

Information on the powers of the NCA

New statutory powers to implement the IDD received since 2022

The Czech National Bank has received no additional statutory powers related to implementation of the IDD since 2022.