

# Country-by-country analysis - Italy

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

Consumer Protection Department  
EIOPA REGULAR USE  
EIOPA-BoS-21/584  
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eioipa

European Insurance and  
Occupational Pensions Authority

**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 Institute for the Supervision of Insurance (IVASS) 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 Institute for the Supervision of Insurance (IVASS) 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.

## ITALY

### 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>	60,244	13,5%
(Re)insurance GWP (in million) <sup>2</sup>	138,132.41	8.9%
Number of (re)insurance undertakings <sup>3</sup>	95	3.9%
Number of registered insurance intermediaries	236,407	26.5%

National competent authority:

Institute for the Supervision of Insurance (IVASS)

Registered insurance intermediaries split by natural and legal persons:

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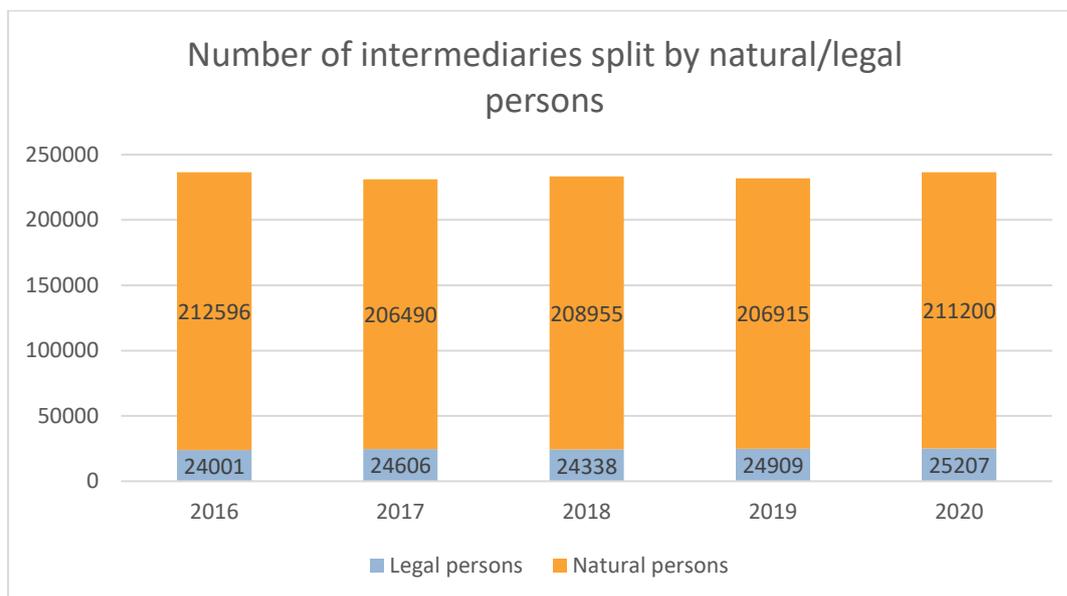
<sup>1</sup> Based on eurostat data:

<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)



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

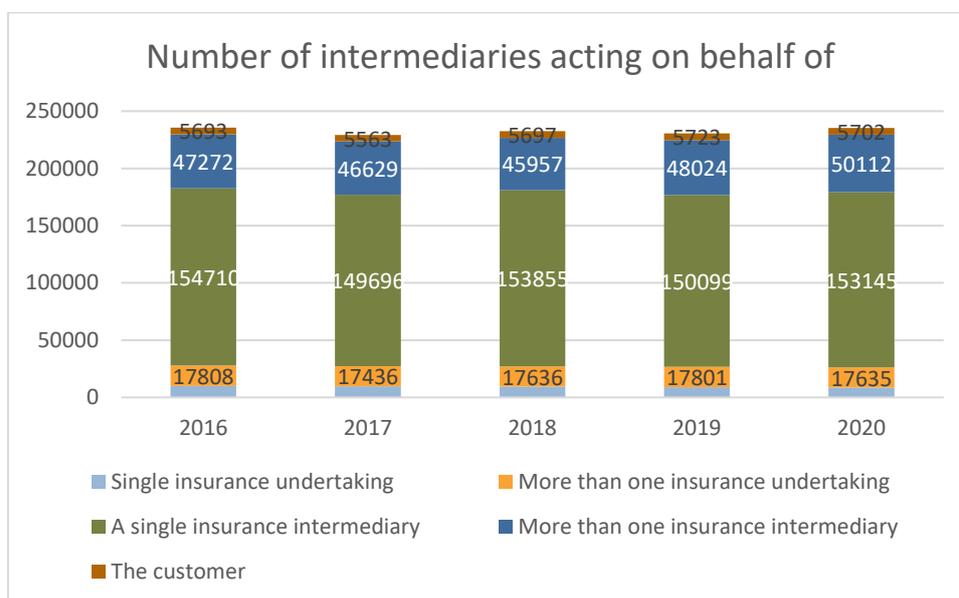
Please, note that "natural persons" includes those individuals who act as representatives of one or more legal persons

Online registration system:

Italian implementation of IDD updated the Italian Insurance Code envisaging that a newly set-up entity (called ORIA) would be responsible for the Italian Register of insurance, reinsurance and ancillary insurance intermediaries (RUI); ORIA has not been set up yet, pending the issuance of a Ministerial Decree: according to the Insurance Code, IVASS is still in charge of the maintenance of the Register until ORIA is in place.

Due to this delay, IVASS has been developing an IT project in order to set up a New Register of Intermediaries where intermediaries will be able to update their own position through a direct access to a web portal. The New Register should go live in summer 2022 and will be at the disposal of ORIA whenever it starts its activity.

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:

Please note that the total number of registered intermediaries differs from the number above ("Registered insurance intermediaries split by natural and legal persons") because of:

- some agents temporarily not active i.e. who should fall under category "single insurance undertaking" or "more than one insurance undertaking" but are in the process of changing insurance undertaking
- some pending positions of collaborators i.e. who should fall under category "a single insurance intermediary" or "more than one insurance intermediary" but, for several reasons, cannot temporarily be assigned to a specific intermediary

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

Number of intermediaries paid in relation to the insurance contract	No intermediary is remunerated this way	Up to 25% of the intermediaries in the market are remunerated this way	25%-50% of the intermediaries in the market are remunerated this way	50%-75% of the intermediaries in the market are remunerated this way	More than 75% of the intermediaries in the market are remunerated this way
<b>1. on the basis of a fee</b>					

<b>2. on the basis of a commission</b>					203,360
<b>3. on the basis of any other type of remuneration</b>		26,144			
<b>4. on the basis of a combination of any type of remuneration set out at points 1, 2 and 3</b>		5,702			
<b>5.Total number of registered intermediaries (5=1+2+3+4)</b>	0	31,846	0	0	203,360

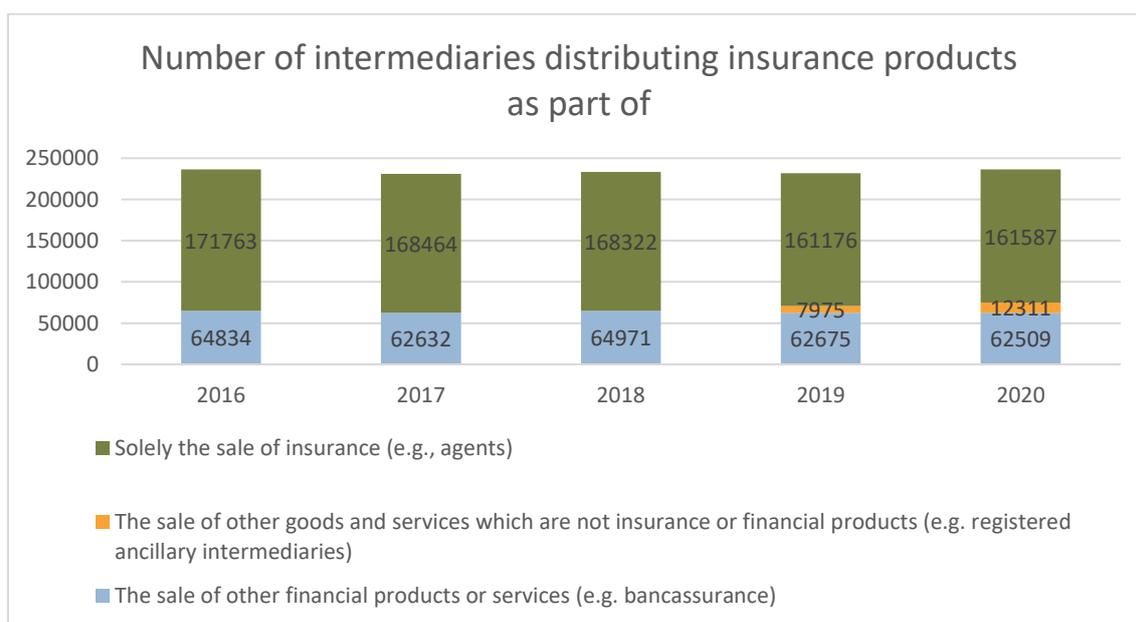
In the first 2018 EIOPA Report on the Evaluation of the Structure of Insurance Intermediaries Markets in Europe, we provided the following information on remuneration models related to each category of registered intermediaries, acquired from the national associations of industry:

- Agents: Commissions, rappels, bonus commissions
- Brokers: 3 remuneration models in Italy: i) mixed remuneration: mediation activity commissions from insurers and fees paid by consumers for managing the contract/the contractual relationship with the undertaking (e.g. claims management); ii) commissions paid by insurance undertakings; iii) commissions paid solely by large professional clients on the basis of a specific negotiation between the client and the broker.
- Direct canvassers of insurance undertakings: Commissions
- Bancassurance: commissions, bonus commissions
- Others: Commissions

The table above has been completed by assuming as an approximation that the remuneration scheme described above applies to all intermediaries of a category.

Please note that this table does not include those intermediaries who are not active.

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

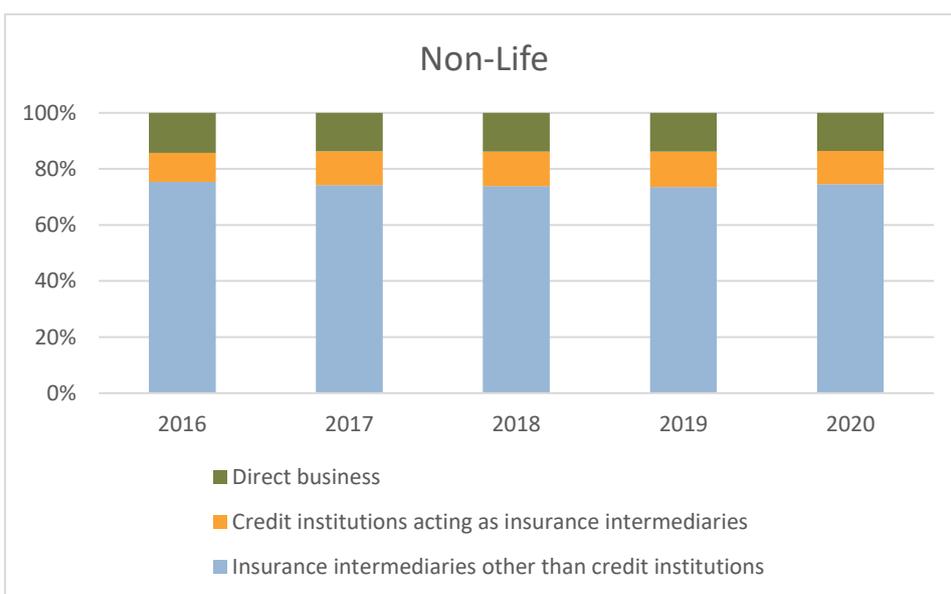
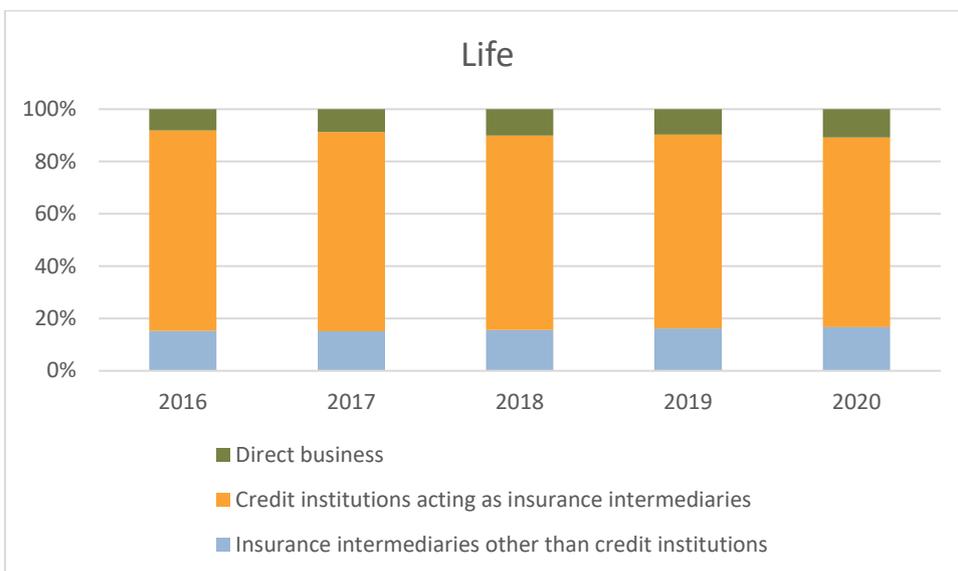


Comments provided by the NCA on the figures included in the chart above:

At the end of the first quarter of 2021, the number of ancillary collaborators on the list published on IVASS' website to supplement the RUI was 12,311 (+54% compared to the same period last year). These collaborators work on behalf of 1,549 "main" intermediaries enrolled in the various sections of the RUI and in the enclosed List of EU intermediaries, in particular banking or financial entities enrolled in section D (64%), agents enrolled in section A (19%) or brokers in section B (12%) or operating in Italy under the European passport regime (5%).

GWP split by distribution channels:

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

The source is the quarterly data submissions from undertakings and are published quarterly by IVASS in its Statistical Bulletin. It contains a summary of the data collected by the Authority on the insurance market.

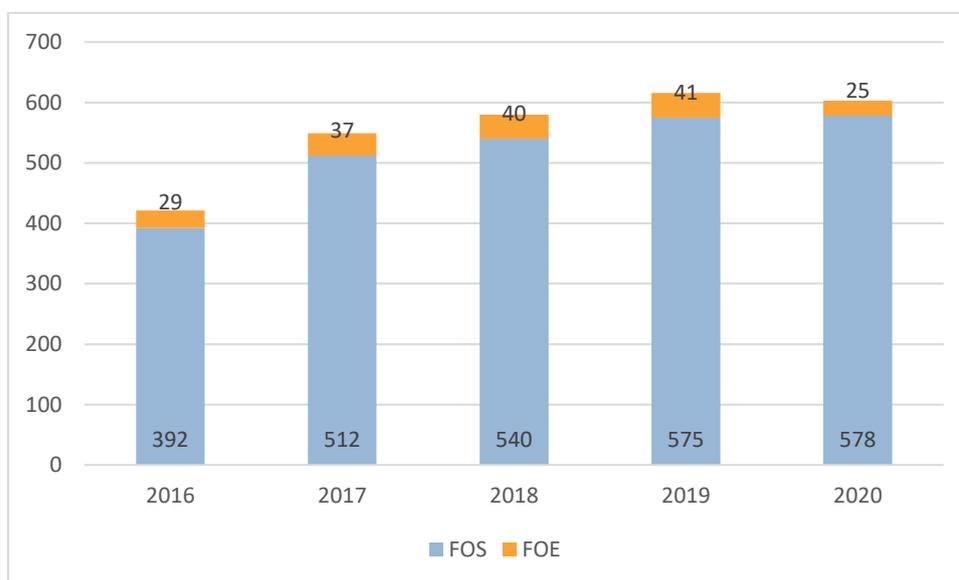
Proportion of online intermediation/sales (e.g. directly via websites, mobile applications, e-mails) in terms of the total volume of gross written premiums:

The approximate proportion of online intermediation/sales on the total volume of GPW are as follows: 2016 = 1,8%, 2017 = 1,7%, 2018 = 1,9%, 2019 = 1,9%, 2020 = 1,9%”.

Comments provided by the NCA on the data above:

The data provided relate to GWP collected in Italy by Italian undertaking and branches of EEA undertakings. As a consequence of a different guidance, the breakdown of data for 2016 differs from the one in the first 2018 EIOPA Report on the Evaluation of the Structure of Insurance Intermediaries Markets in Europe. In particular, the data sub 1. (insurance intermediaries other than credit institutions) include both agents and brokers; the data sub 2. (credit institutions acting as insurance intermediaries) include also premiums collected by financial advisors; the data sub 3. (direct business) include also the premiums collected by the tied agencies.

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:

The total number is different from the aggregation of intermediaries with passport FOS and FOE since certain intermediaries may operate both under FOS and FOE at the same time. For 2020, the UK intermediaries, no longer authorized following Brexit, have not been calculated.

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>	374	2	376
<i>Belgium</i>	354	1	355
<i>Bulgaria</i>	279	0	279
<i>Cyprus</i>	282	0	282
<i>Croatia</i>	180	0	180
<i>Czech Republic</i>	323	0	323
<i>Denmark</i>	298	0	298
<i>Estonia</i>	266	0	266
<i>Finland</i>	256	0	256
<i>France</i>	454	4	458
<i>Germany</i>	431	0	431
<i>Greece</i>	327	1	328
<i>Hungary</i>	333	0	333
<i>Iceland</i>	236	0	236
<i>Ireland</i>	329	0	329
<i>Italy</i>	0	0	0
<i>Latvia</i>	262	0	262
<i>Liechtenstein</i>	279	0	279
<i>Lithuania</i>	264	0	264
<i>Luxembourg</i>	339	1	340

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<i>Malta</i>	339	1	340
<i>Netherlands</i>	338	0	338
<i>Norway</i>	263	0	263
<i>Poland</i>	360	2	362
<i>Portugal</i>	334	0	334
<i>Romania</i>	344	8	352
<i>Slovakia</i>	309	0	309
<i>Slovenia</i>	328	0	328
<i>Spain</i>	452	6	458
<i>Sweden</i>	281	0	281
<i>Total EEA</i>	9,214	26	9,240

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

As shown in the table, the domestic insurance intermediaries enrolled in the RUI mainly notified their intention to operate on an outgoing basis under the FoS regime (freedom to provide services). The total number of intermediaries under FoE and FoS differs from the totals reported in the previous Figure due to the existence of intermediaries licensed in more than one Country.

## Information on the powers of the NCA

### Statutory powers to implement the IDD:

The IDD has been implemented in Italy by Legislative Decree no. 68 of 21 May 2018, amending the Code of Private Insurance (legislative decree no. 209 of 7 September 2005, available in English language on the following link:

[https://www.ivass.it/normativa/nazionale/primaria/CAP\\_EN.pdf?language\\_id=3](https://www.ivass.it/normativa/nazionale/primaria/CAP_EN.pdf?language_id=3) ).

In order to ensure the implementation of IDD we have received the following statutory powers:

- Market monitoring, including the market for ancillary insurance products which are marketed, distributed or sold in, or from, their Member State (Article 1(5)) – ( See Art. 107, par. 7, of Code of Private insurance - CAP). Please note that prior to IDD implementation, Art. 5, par. 3 of CAP already empowered IVASS to perform the activities necessary to promote an appropriate degree of consumer protection and to develop the knowledge of the insurance market;
- Registration (including removal and reinstatement) of (re)insurance intermediaries and ancillary insurance intermediaries (Article 3): this statutory empowerment, obtained by IVASS prior to the IDD, has been given by IDD implementation to a new institution, the insurance intermediaries registration Body, to which the functions and duties of keeper of the Register will be transferred (see Article 108-bis of CAP). See also Articles 110, par 2, of CAP (management of the qualifying examination for the registration in section A (agents) and B (Brokers) of the Register). At the time being the functions and duties of keeper of the Register are still maintained by IVASS, which is responsible of the related activities until the transfer to the above mentioned Body;
- Notification procedure (Articles 4 and 6): these statutory empowerments, obtained by IVASS prior to the IDD, are regulated by Art. 116, 116-bis. 116-quarter of CAP (for art. 4 of IDD) and Art. 116-ter, 116-quinquies (for Art. 6 of IDD);
- Breach of obligations when exercising the freedom to provide services and the freedom of establishment (Articles 5 and 8): these statutory statutory empowerments have been implemented by Article 116-septies (for Art. 5 of IDD) and by Articles 116-octies and 116-novies (for Article 8 of IDD) of CAP;
- Publication of general good rules (Articles 11): this statutory empowerment, obtained by IVASS prior to the IDD, have been implemented by Art. 116-undecies of CAP. See also Article 116-decies (Powers in relation to national provisions adopted in the interest of the general good);

- Breaches, (administrative) sanctions and other measures, including their publication and reporting (Articles 31, 32, 33, 35 and 36) : these statutory empowerment have been implemented by Title XVIII, Chapters II, VI, VII (Sanctions and sanctioning procedure) and by Articles 10 quarter and 10 quinquies (Reporting of breaches) of CAP . The rules on reporting of breaches have been introduced by IDD implementation. As regards the rules related to sanctions, the national law in force prior to the IDD empowered IVASS to impose pecuniary administrative sanctions and disciplinary sanctions (see Art. 324 of CAP). The other measures have been introduced by IDD implementation (order to eliminate the breaches - Art. 324 quarter; public statement -Art. 324, par. 5 and 6; prohibition to perform administration, direction and control functions with insurance and reinsurance undertakings, for a period no shorter than six months and no longer than three years -art. 324 septies, par.3).

Furthermore, the national implementation of IDD introduced Out-of-court redress system (see Article 187.1 of CAP).

See also the general empowerments related to supervisory activities of IVASS, stated by Articles 3 (Purpose of supervision), 3-bis (General principles of supervision), 5 (Supervisory Authority), 6 (Supervised entities), 9-bis (Transparency and accountability in the supervisory activity); and to complaints handling stated by Art. 7; the statutory powers according to article 182 (Advertising of insurance products), 184 (Precautionary and prohibitory measures); 187-bis (Arrangements for the exercise of supervisory powers); 188 (Powers of interventions), 189 (Powers of investigations), 190 (Communication obligations): all these statutory empowerment have been obtained by IVASS prior to the IDD.

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

Despite IVASS has already provided logistic, technical and human resources for the start-up of the insurance ADR, it is not operating yet because the legislative process to fully regulate ADR is not completed.

As regards mystery shopping, see below "Most common supervisory tools to monitor the IDD implementation".

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

Tools	Insurance undertakings	Insurance intermediaries
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Market monitoring	5	4
Data-driven market monitoring, beyond complaints data analysis	3	2
Thematic reviews	3	2
Mystery shopping	Work in progress (see table below)	Work in progress (see table below)
On-site inspections	4	4
Off-site monitoring	4	2
Consumer focus groups	Presently not used - IVASS is carrying out an insurance literacy test on a sample of consumer citizens	Presently not used - IVASS is carrying out an insurance literacy test on a sample of consumer citizens
Product oversight activities	5	3
Consumer research	2	1
Investigations stemming out of complaints	5	5
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:

As a preliminary information, please note that in 2019 IVASS implemented a major organisational reform, triggered off by the transposition of the IDD and aimed at making its structure more in keeping with the resulting needs. To ensure more effective enforcement of the new rules, IVASS has radically overhauled the entire area of consumer protection, envisaging specific supervision of the market conduct of insurance undertakings and intermediaries - which goes hand in hand with prudential supervision - and strengthening its mission to protect customers by entrusting a dedicated structure with a wide range of synergistic activities, ranging from complaint handling to insurance arbitration and insurance education. The establishment of the Market Conduct

Supervision Directorate has the aim of creating a sole control body for the design and distribution of products and for the correct market conduct of all operators, with sharp focus on preventive supervisory action.

About “market monitoring”, we have taken into account all the following “other a priori supervisory activities” to provide with the assessment on a scale from 1 to 5 in the above table.

Other a priori supervisory activities:

Fit&proper assessments for national and EU insurance intermediaries and EU undertakings for their cross-border activity; enhanced cooperation and forward looking supervision with Home Supervisory Authorities, with an ex-ante exchange of information (to intercept issues in an early stage on cross-border activity); supervisory letters addressed directly to insurance undertakings and intermediaries; analysis of the insurance undertakings’ periodic reports on the monitoring of the sales network; analysis of the outcome emerging from the Retail Risks Indicators tool, based on the information flows provided by EIOPA for EU undertakings; market trend’s analysis, life and non - life insurance products analysis;

Meetings with stakeholders (insurance undertakings and intermediaries, the national association of insurance undertakings, the associations of insurance intermediaries, consumers’ association) and technical panels with the other national supervisory authorities (Bank of Italy - National Supervisor for the Banking Sector, Consob - National supervisor for the Financial Sector, AGCM - Antitrust National Authority); market surveys about: ancillary insurance intermediaries and their business; the monitoring system of the insurance undertaking on their sales networks’ requirements of good repute.

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:

Other a priori supervisory activities:

Adopted following the implementation of the IDD:

Fit&proper assessments for national and EU insurance intermediaries and EU undertakings for their cross-border activity; enhanced cooperation and forward looking supervision with Home Supervisory Authorities, with an ex-ante exchange of information (to intercept issues in an early stage on cross-border activity); supervisory letters addressed directly to insurance undertakings and intermediaries; analysis of the insurance undertakings' periodic reports on the monitoring of the sales network; analysis of the outcome emerging from the Retail Risks Indicators tool, based on the information flows provided by EIOPA for EU undertakings; market trend's analysis, life and non - life insurance products analysis;

Meetings with stakeholders (insurance undertakings and intermediaries, the national association of insurance undertakings, the associations of insurance intermediaries, consumers' association)

and technical panels with the other national supervisory authorities (Bank of Italy, Consob, AGCM); market surveys about: ancillary intermediaries and their business; the monitoring system of the insurance undertaking on their sales networks' requirements of good repute.

Would like to adopt but it is not empowered to adopt:

Regarding "Mystery shopping", IVASS has started a project in collaboration with the UE Commission to develop a mystery shopping methodology; at this moment IVASS is planning some pilot mystery shoppings to verify the methodology.

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