

Country-by-country analysis GERMANY

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
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eioPa

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

GERMANY

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	83,237	18.4%
(Re)insurance GWP (in million) ⁴	335,298.764	24.7%
Number of (re)insurance undertakings ⁵	256	14.8%
Number of registered insurance intermediaries	190708	22%

National competent authority:

Federal Financial Supervisory Authority (BaFin) (insurance undertakings)

The Association of German Chambers of Industry and Commerce e.V (DIHK) is the joint body responsible for the technical operation of the 'Broker Registry' on behalf of the Chambers of

³ Based on eurostat data for 1 January 2022:

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

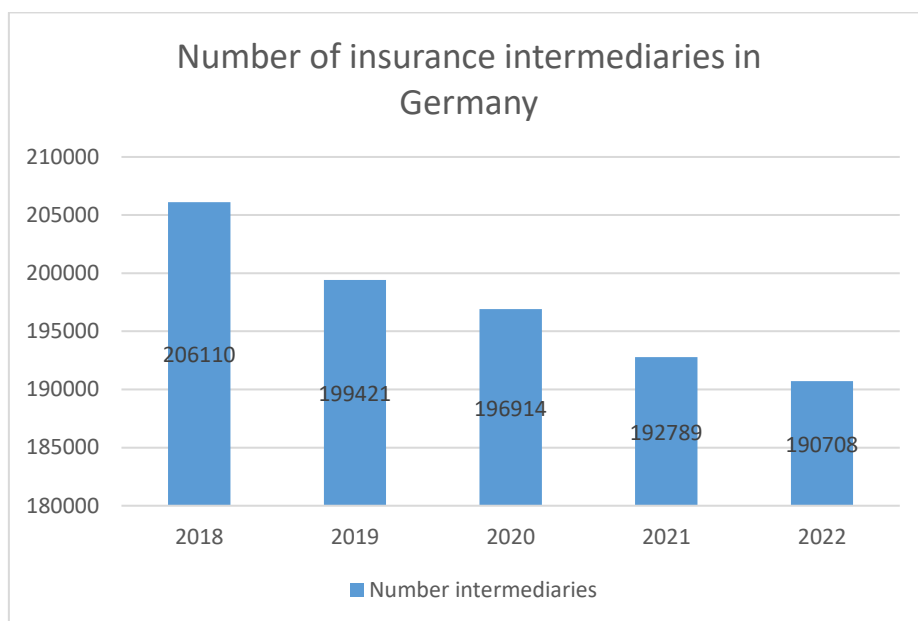
⁴ "(Re)insurance GWP includes life and non-life premiums generated by domestically registered undertakings year-end 2022 based on annually reported SII information:

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

Industry and Commerce (§ 11a Para 1 Sentence 2 of the German Trade Regulation Act, GewO). Regulatory authority lies with the individual IHKs and not the DIHK. Additionally, the local Trade Supervisory Authorities have certain powers in relation to insurance intermediaries, in particular regulatory competences.



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

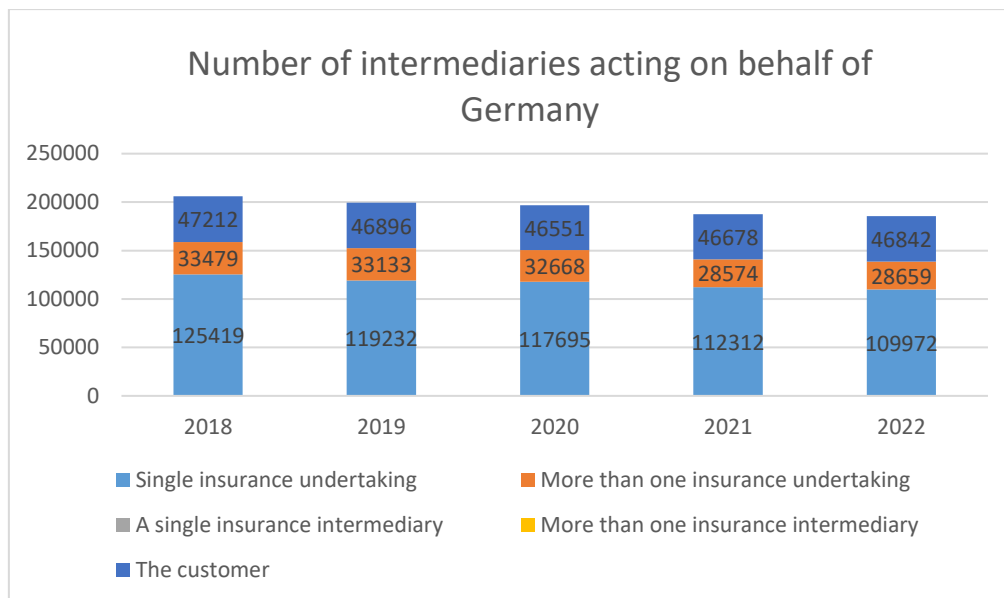
We do not have statistical information about the legal personality of insurance intermediaries because the numbers we do collect don't differentiate by legal personality.

Online registration system:

In general, Germany provides the opportunity to register online. On the online-register of the Chambers of Commerce and Industry (www.vermittlerregister.info) insurance intermediaries can register online. Insurance intermediaries have to assure that they are registered in the online registration system provided by the German Chamber of Commerce and Industry.

The online registration system is updated on a daily basis.

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



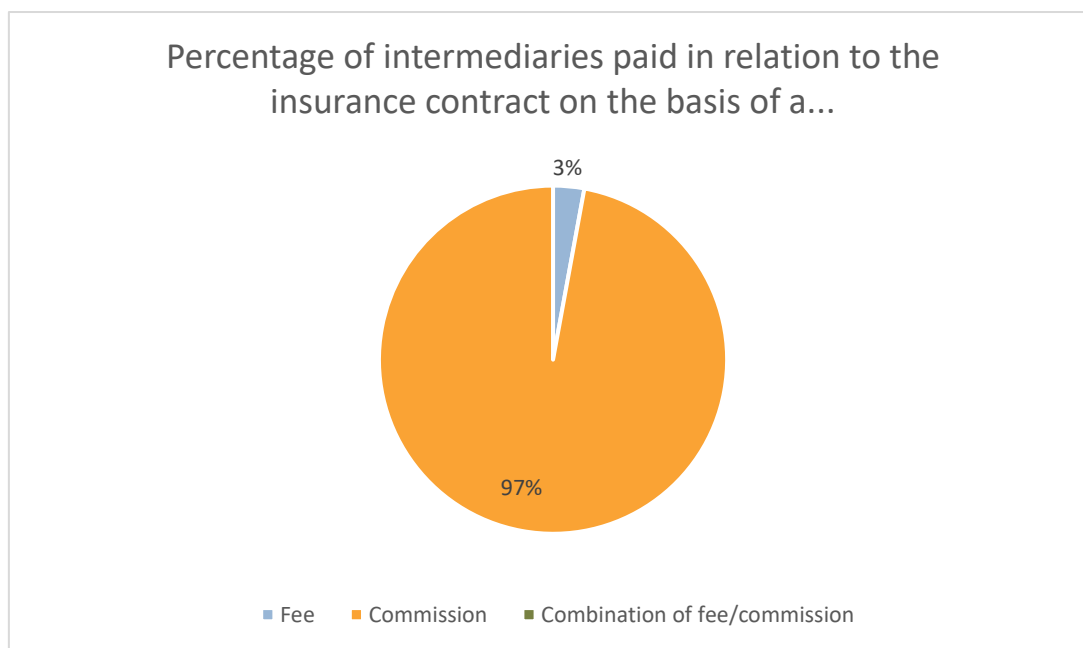
Comments provided by the NCA on the figures included in the chart above:

The feedback is based on the following system:

We have assigned tied insurance agents to the Category of number of insurance intermediaries acting on behalf of a single insurance undertaking. We have assigned insurance agents with a licence to the category of insurance intermediaries acting on behalf of the customer. As a rule, these are multiple agents who work for different insurance companies. In individual cases, however, these representatives only work for one company despite having a licence. However, this is not evident from the register. We have assigned insurance brokers and insurance consultants to the category of insurance intermediaries acting on behalf of customer. No allocation was made for product-accessory insurance intermediaries, since it is not apparent for whom they work.

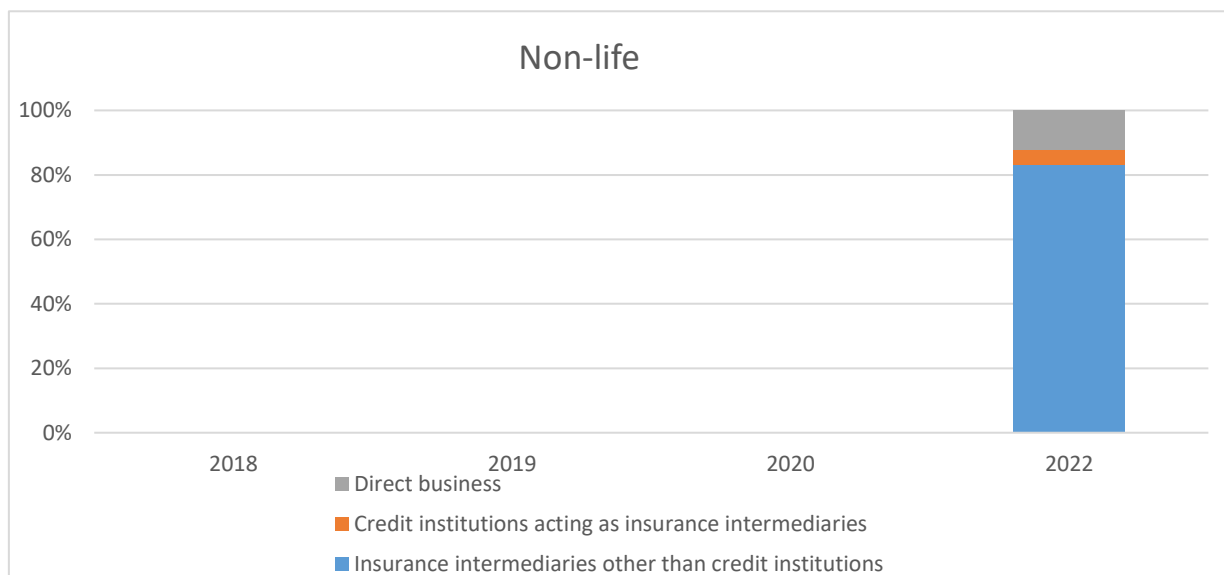
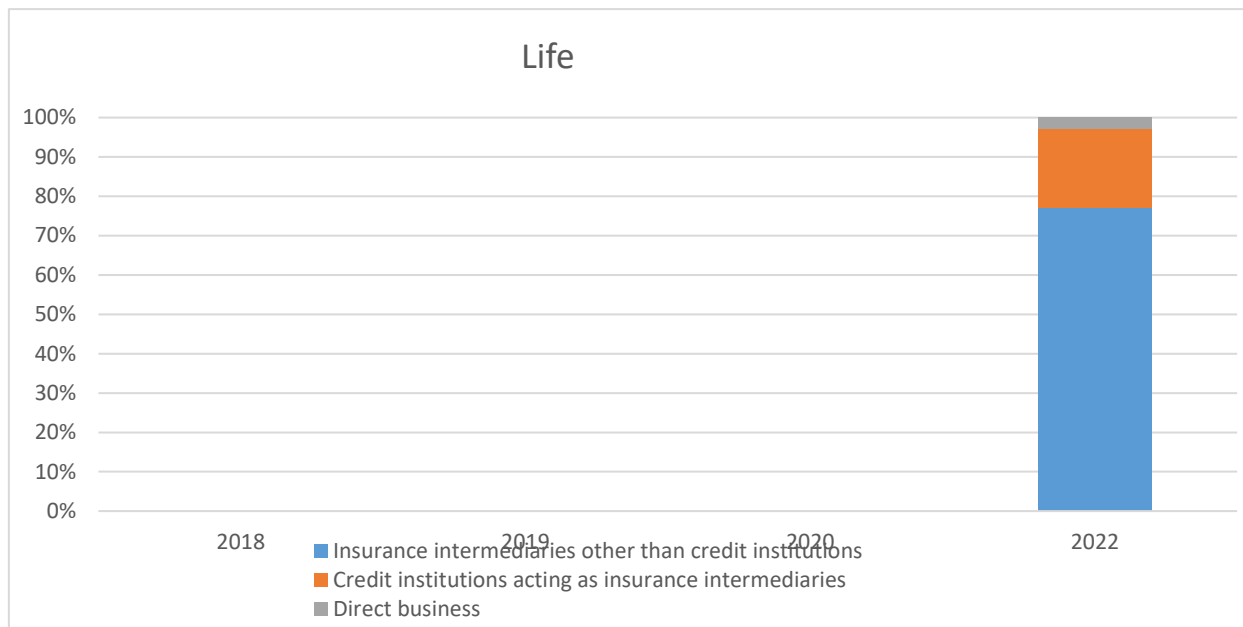
Therefore, the total number of intermediaries differs from the number given above P.91.

Germany does not collect any specific data about the way insurance products are distributed. From the data collected in Germany it is not possible to draw conclusions about the questions required.

Way of remuneration of insurance intermediaries in relation to the insurance contract in 2022:Comments provided by the NCA on the figures above

According to the IDD, the data requested by EIOPA are not kept in stock by market participants or NCAs. This data is not available to BaFin or the Chambers of Industry and Commerce for any other reason. Therefore, BaFin carried out a survey of the supervised insurance undertakings in accordance with EIOPA's requirements (market share 60% in relation to new business in 2022). The insurance undertakings were asked to inform BaFin on the percentage of products they had sold without calculated acquisition costs in 2022 (in relation to gross premiums written). In this case, it can be assumed that the respective sales partner was paid directly by the customer. However, the undertaking were not requested to collect the data in question from their distribution partners themselves. However, the market coverage of only 60% already leads to considerable distortions in the result. For example, in Germany only a few life insurers actively sell net policies. Depending on whether these undertakings are part of the market survey, however, there are considerable differences in the result. Due to national peculiarities, the figures on non-life do not include health insurance.

GWP split by distribution channels:



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

According to the IDD, the data requested by EIOPA are not to be kept by market participants or NCAs. However, BaFin has information on the percentage of the distribution channels due to a corresponding supply by the Gesamtverband der Deutschen Versicherungswirtschaft (GDV)). The GDV publishes annual distribution channel statistics for the German market. The scope of gross premiums written refers to both domestic and cross-border business in the EU/EEA area. Due to

the lack of individual feedback on new business for 2022, the new business reported here is only an approximated value. Due to national peculiarities, the figures on non-life do not include health insurance.

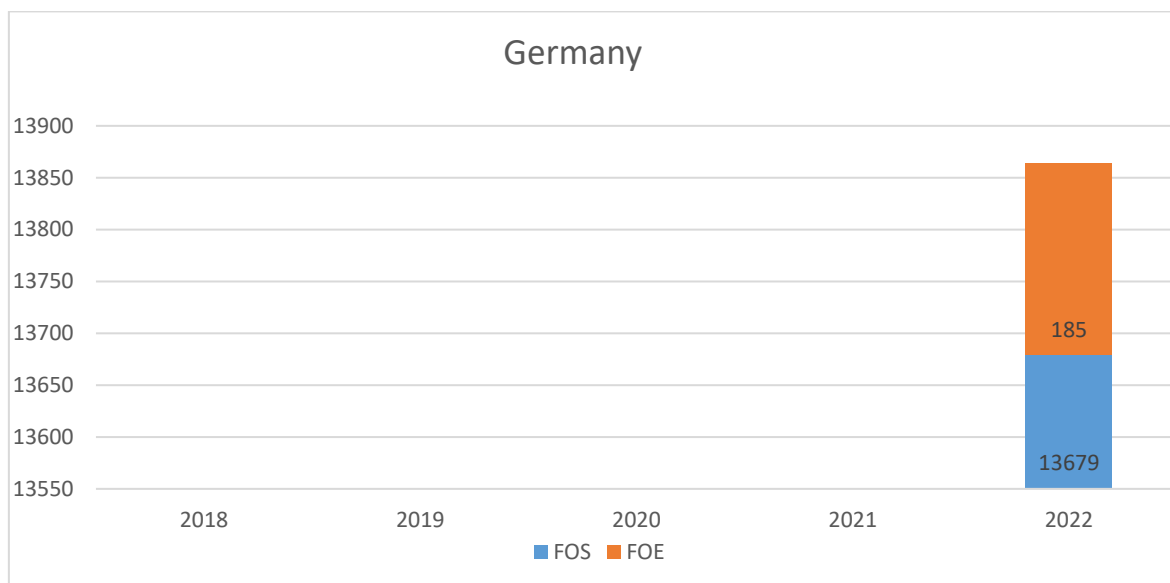
Proportion of online intermediation/sales (e.g. directly via websites, mobile applications, e-mails) in terms of the total volume of gross written premiums:

Life: 0,44 % Non-Life: 1,48 % Total: 0,742 %

Comments provided by the NCA on the data above:

According to the IDD, the data requested by EIOPA are not to be held by the market participants or the NCAs. For the year 2022, this data is not available to BaFin or the Chambers of Industry and Commerce for any other reason. Therefore, BaFin conducted a survey of the supervised insurance undertakings in accordance with EIOPA's requirements (market share 60% in relation to new business in 2022). The insurance undertakings were asked to state what proportion of new business in 2022 was accounted for by online sales (in relation to gross premiums written). However, the undertakings were not asked to take their sales partners into account or to involve them. However, the market coverage of only 60% already leads to considerable distortions in the result. For example, in Germany, online sales in the life sector are carried out in particular by term life insurance undertakings. Depending on whether these undertakings are part of the market survey, however, there are considerable differences in the result. Furthermore, since no binding definition of the term online sales was given by EIOPA, the responses of the insurance undertakings are not easily comparable. Due to national peculiarities, the figures on non-life do not include health insurance. However, BaFin has comprehensive findings on the online sales of insurance undertakings in the period 2019 to 2021 from a market survey conducted in 2021. This survey covered 308 insurance undertakings under BaFin supervision. Among other things, the scope of online sales was queried. In addition, the distribution channel (website, app, comparison portal) as well as the most important insurance products distributed online were queried. However, the findings obtained in this context clearly contradict the data now available. For the year 2021, for example, based on an estimate by the companies surveyed, a volume of online sales in the life sector of approximately 10% and in the non-life sector of approximately 27% was reported. In this survey, however, the insurance companies - in contrast to the current survey - also had to involve their distribution partners. In addition, the survey was limited to the domestic insurance business.

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:

We can only call up the data on a daily basis. The cut-off date for the reported data is 21.06.2023.

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 State⁶:

<i>Austria</i>	1674	38	1712
<i>Belgium</i>	575	5	580
<i>Bulgaria</i>	372	2	374
<i>Cyprus</i>	333	2	335
<i>Croatia</i>	253	1	254
<i>Czech Republic</i>	517	5	522
<i>Denmark</i>	423	3	426
<i>Estonia</i>	333	0	333
<i>Finland</i>	374	0	374
<i>France</i>	706	19	725
<i>Germany</i>	0	0	0
<i>Greece</i>	403	8	411
<i>Hungary</i>	442	2	444
<i>Iceland</i>	226	1	227
<i>Ireland</i>	377	1	378

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>Italy</i>	<i>643</i>	<i>17</i>	<i>660</i>
<i>Latvia</i>	<i>349</i>	<i>2</i>	<i>351</i>
<i>Liechtenstein</i>	<i>262</i>	<i>0</i>	<i>262</i>
<i>Lithuania</i>	<i>335</i>	<i>0</i>	<i>335</i>
<i>Luxembourg</i>	<i>607</i>	<i>7</i>	<i>614</i>
<i>Malta</i>	<i>330</i>	<i>0</i>	<i>330</i>
<i>Netherlands</i>	<i>629</i>	<i>11</i>	<i>640</i>
<i>Norway</i>	<i>287</i>	<i>3</i>	<i>290</i>
<i>Poland</i>	<i>574</i>	<i>14</i>	<i>588</i>
<i>Portugal</i>	<i>399</i>	<i>4</i>	<i>403</i>
<i>Romania</i>	<i>417</i>	<i>3</i>	<i>420</i>
<i>Slovakia</i>	<i>399</i>	<i>2</i>	<i>401</i>
<i>Slovenia</i>	<i>374</i>	<i>1</i>	<i>375</i>
<i>Spain</i>	<i>643</i>	<i>30</i>	<i>673</i>
<i>Sweden</i>	<i>423</i>	<i>4</i>	<i>427</i>
<i>Total EEA</i>	<i>13679</i>	<i>185</i>	<i>13864</i>

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

We can only call up the data on a daily basis. The cut-off date for the reported data is 21.06.2023.

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

We have not yet identified any patterns of cross-border activity from Germany. This question was simply not subject to any examinations.

Information on the powers of the NCA

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

BaFin could act more efficiently in conduct of business supervision if it was authorised to impose administrative fines to insurance companies with low standards in their product approval process.