

Country-by-country analysis ESTONIA

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

ESTONIA

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 | 1,332 | 0.3% |
| (Re)insurance GWP (in million) ⁴ | 956,810 | 0.07% |
| Number of (re)insurance undertakings ⁵ | 9 | 0.5% |
| Number of registered insurance intermediaries | 394 | 0.05% |

National competent authority:

Finantsinspektsioon

³ Based on eurostat data for 1 January 2022:

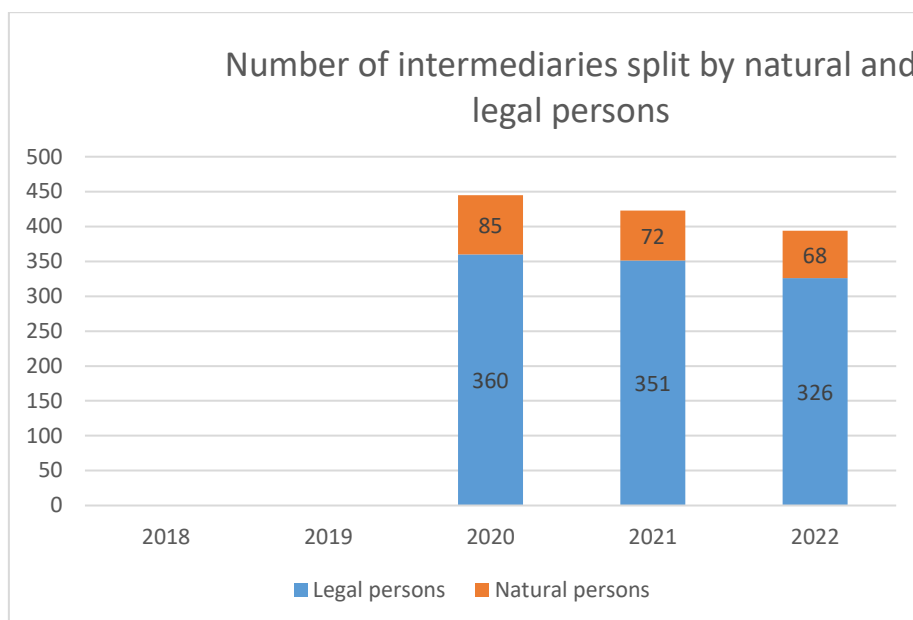
<https://ec.europa.eu/eurostat/databrowser/view/tps00001/default/table?lang=en>

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

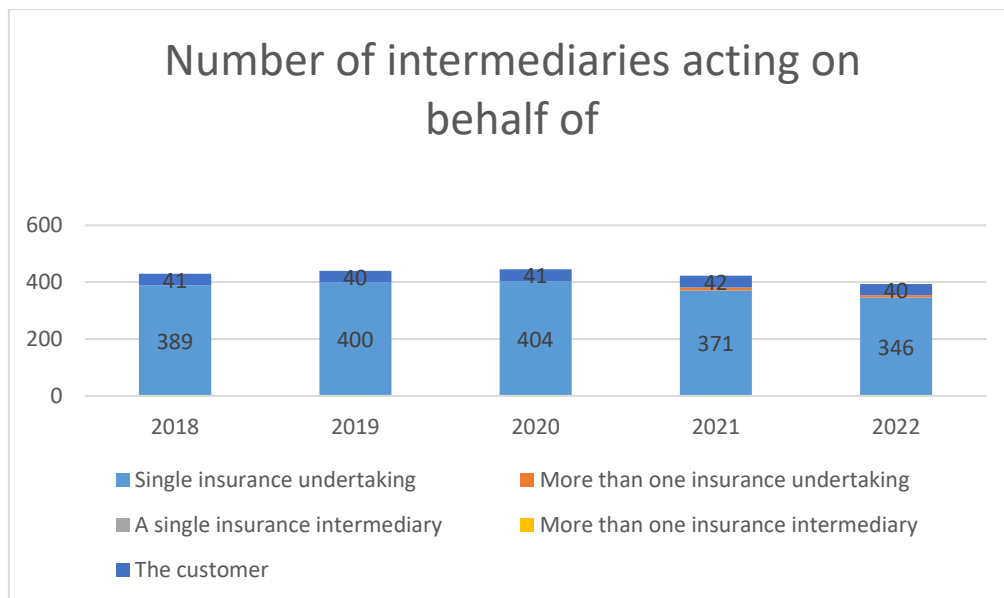
Registered insurance intermediaries split by natural and legal persons:**Comments provided by the NCA on the figures included in the chart above:**

In Estonia, the insurer is also obliged to register the insurance distributors specified (excluded) in Article 1 (3 and 4) of the IDD. On the relevant list on Finantsinspektsioon's website, there was 212 such insurance agents in 2022. These agents are mostly travel bureaus, selling travel insurance. For the sake of uniformity of the IDD data provided in this questionnaire, these agents are not included in the number of insurance agents who must be registrated according to the IDD.

Online registration system:

Insurance agents are entered into the list of insurance intermediaries by Estonian insurance undertakings and branches of the foreign insurance undertakings. Estonian insurance undertakings and branches of the foreign insurance undertakings are authorized (access with digital identification) to enter and remove their insurance agents directly on the Finantsinspektsioon's website on-line. Estonian insurance brokers and FOS and FOE intermediaries are entered into the list of insurance intermediaries on Finantsinspektsioon's website by Finantsinspektsioon. The register is updated on an ongoing basis without delay. Estonian insurance broker can submit an application for inclusion into the list of intermediaries and upload relevant document files on the Finantsinspektsioon's website.

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



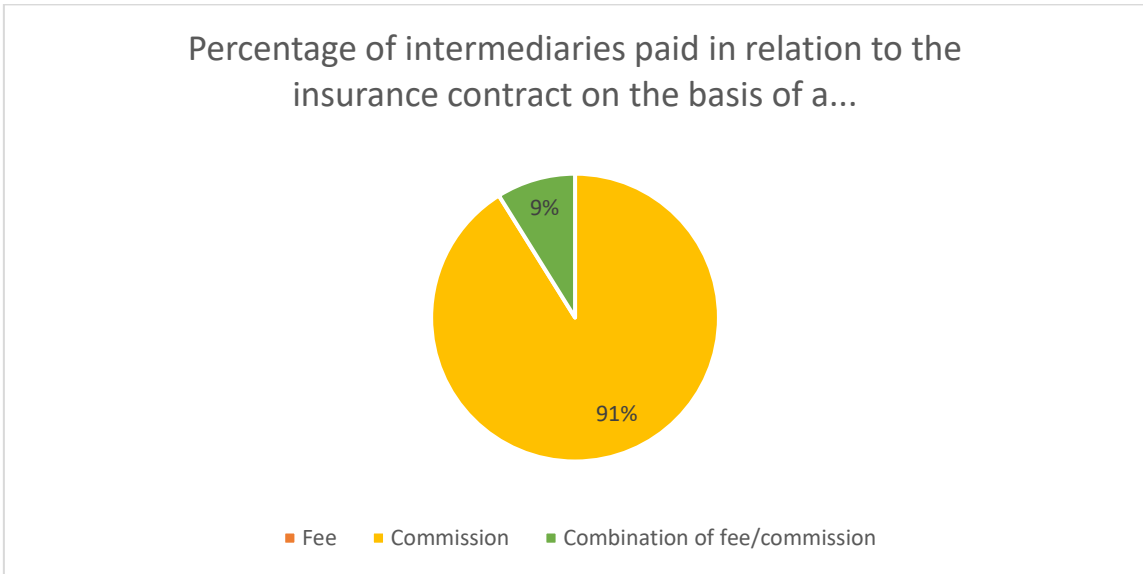
Comments provided by the NCA on the figures included in the chart above:

(i) An insurance undertaking may enter in the list of intermediaries only an insurance agent who has not already been entered in the list of intermediaries as the insurance agent of another insurance undertaking in the distribution of insurance contracts of the same class or subclass of insurance activities and who meets the requirements provided for insurance agents by Estonian Insurance Activities Act.

These insurance agents who represent only one undertaking are shown in the category of a single insurance undertaking. Agents representing more than one undertaking, but in different classes of insurance, are shown in the category of more than one insurance undertaking.

The category of intermediaries acting on behalf of the customer lists all Estonian insurance brokers acting in the interests of the customer.

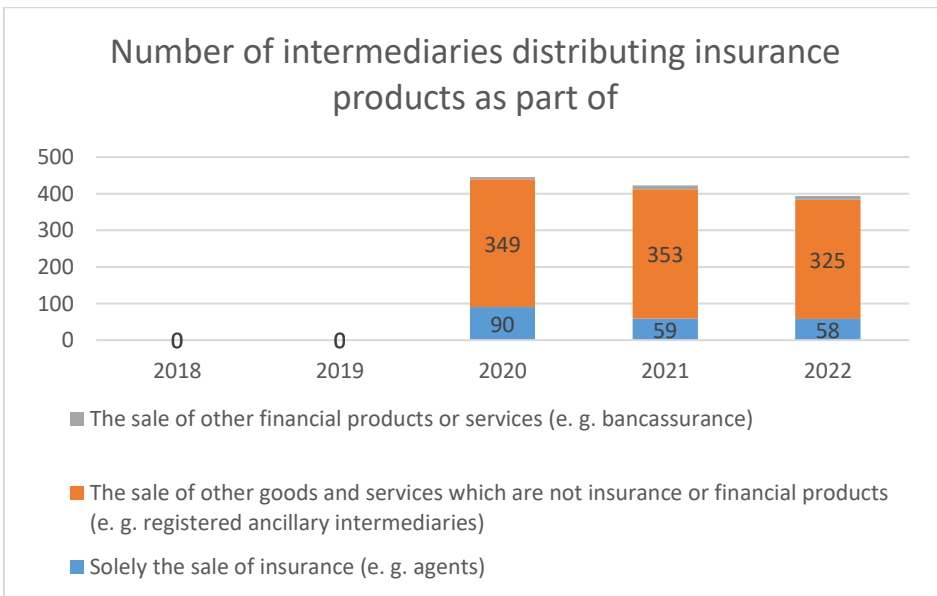
Way of remuneration of insurance intermediaries in relation to the insurance contract in 2022:



Comments provided by the NCA on the figures above :

The Commission category includes all insurance agents and 5 insurance brokers. The combination of fee/ commission category includes 35 insurance brokers. In Estonia, an insurance broker may be remunerated by the client or remunerated by the insurer at the client's expense. Remuneration of a broker by an insurer at the expense of a client is common.

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

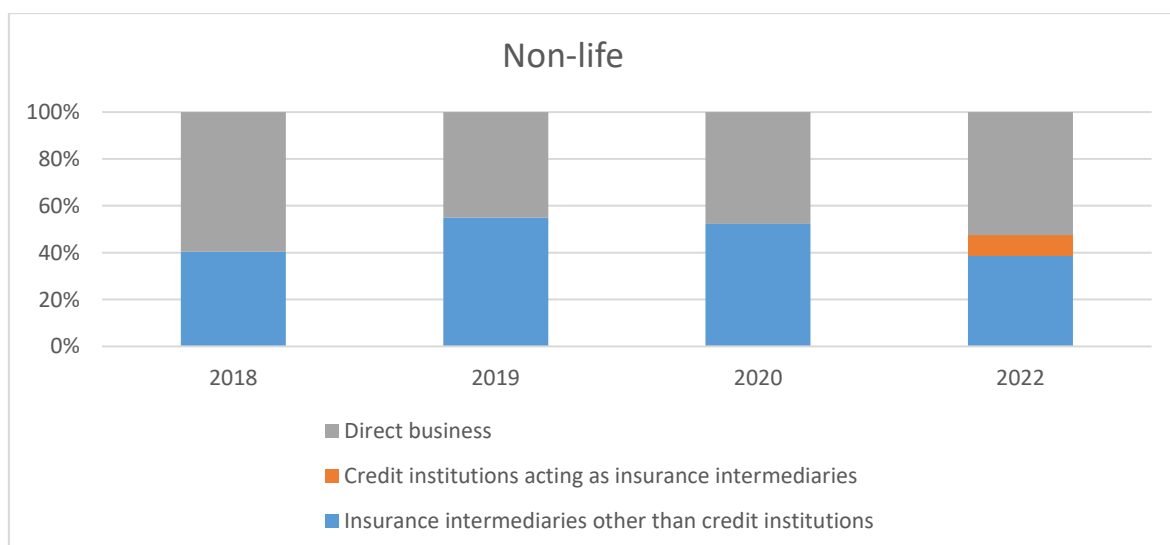
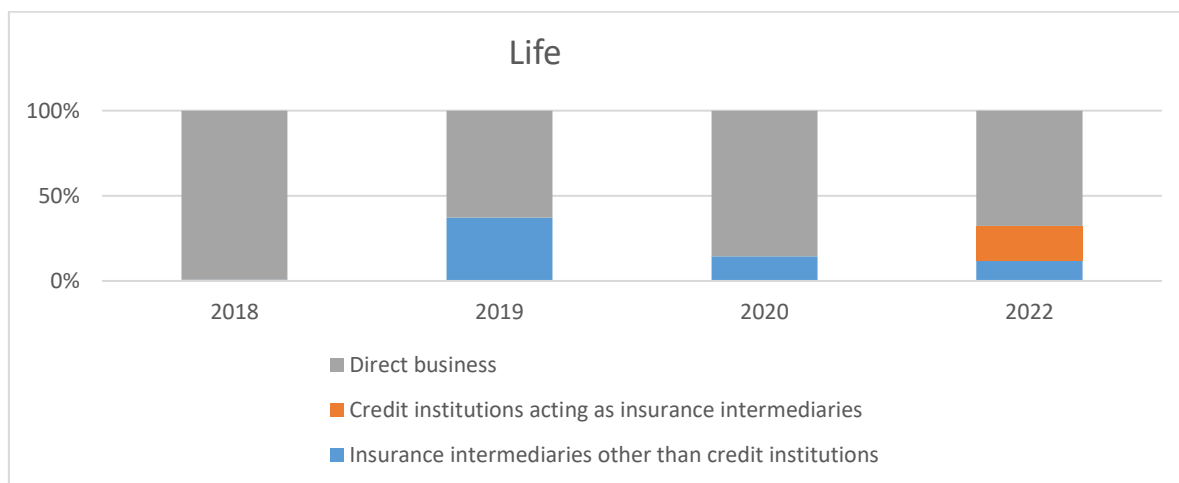


Comments provided by the NCA on the figures included in the chart above:

The category of the sale of other goods and services which are not insurance or financial products indicates the number of insurance agents, who's main activity is not insurance distribution, but who have to be registrated as insurance distributors (insurance agents) according to the IDD.

In Estonia, the insurer is also obliged to register the insurance distributors specified (excluded) in Article 1 (3 and 4) of the IDD. On the relevant list on Finantsinspektsioon's website, there was 212 such insurance agents in 2022. These agents are mostly travel bureaus, selling travel insurance. For the sake of uniformity of the IDD data provided in this questionnaire, these agents are not included in the number of insurance agents who must be registrated according to the IDD.

GWP split by distribution channels:



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

Cross-market questionnaire about sales on the Estonian market.

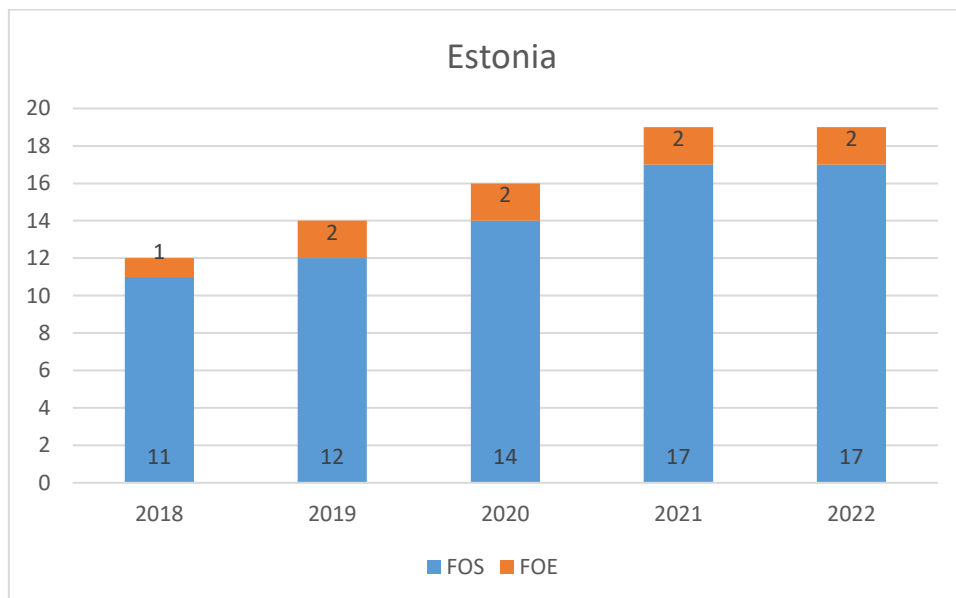
Proportion of online intermediation/sales (e.g. directly via websites, mobile applications, e-mails) in terms of the total volume of gross written premiums:

Approximately 90% of insurance brokers distribute insurance in e-channels. Insurance agents generally use insurers' sales programs/platforms, and here the distributions differ between non-life and life insurance. There are also big differences between distributors of life insurers, some do not use e-channels almost at all, some use e-channels approximately 80%. Average use of e-channels in non-life insurance is higher, approximately 85-90%.

Comments provided by the NCA on the data above:

Source of information is cross-market questionnaire about sales on the Estonian market (Insurance brokers and insurance undertakings).

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

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.

COUNTRY-BY-COUNTRY ANALYSIS – Annex VII to the 2nd Report on the application of the IDD

EIOPA CONFIDENTIAL USE

EIOPA-BoS-23-480

| | 1. FOS | 2. FOE | 3. TOTAL |
|-----------------------|--------|--------|----------|
| <i>Austria</i> | 9 | 0 | 9 |
| <i>Belgium</i> | 9 | 0 | 9 |
| <i>Bulgaria</i> | 9 | 0 | 9 |
| <i>Cyprus</i> | 8 | 0 | 8 |
| <i>Croatia</i> | 9 | 0 | 9 |
| <i>Czech Republic</i> | 9 | 0 | 9 |
| <i>Denmark</i> | 9 | 0 | 9 |
| <i>Estonia</i> | 0 | 0 | 0 |
| <i>Finland</i> | 13 | 0 | 13 |
| <i>France</i> | 12 | 0 | 12 |
| <i>Germany</i> | 10 | 0 | 10 |
| <i>Greece</i> | 8 | 0 | 8 |
| <i>Hungary</i> | 10 | 0 | 10 |
| <i>Iceland</i> | 6 | 0 | 6 |
| <i>Ireland</i> | 9 | 0 | 9 |
| <i>Italy</i> | 8 | 0 | 8 |
| <i>Latvia</i> | 13 | 2 | 15 |
| <i>Liechtenstein</i> | 5 | 0 | 5 |
| <i>Lithuania</i> | 12 | 0 | 12 |
| <i>Luxembourg</i> | 8 | 0 | 8 |
| <i>Malta</i> | 8 | 0 | 8 |
| <i>Netherlands</i> | 10 | 0 | 10 |
| <i>Norway</i> | 6 | 0 | 6 |
| <i>Poland</i> | 10 | 0 | 10 |
| <i>Portugal</i> | 10 | 0 | 10 |
| <i>Romania</i> | 9 | 0 | 9 |
| <i>Slovakia</i> | 8 | 0 | 8 |
| <i>Slovenia</i> | 8 | 0 | 8 |
| <i>Spain</i> | 10 | 0 | 10 |
| <i>Sweden</i> | 12 | 0 | 12 |
| <i>Total EEA</i> | 267 | 2 | 269 |

