

Country-by-country analysis - Bulgaria

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

Consumer Protection Department
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EIOPA-BoS-21/584
06 January 2022



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 Financial Supervision Commission (FSC) 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 Financial Supervision Commission (FSC) 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.

BULGARIA

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) ¹	6,951	1.6%
(Re)insurance GWP (in million) ²	2,368.19	0.15%
Number of (re)insurance undertakings ³	30	1.2%
Number of registered insurance intermediaries	7,554	0.8%

National competent authority:

Financial Supervision Commission (FSC)

Registered insurance intermediaries split by natural and legal persons:

¹ Based on eurostat data:

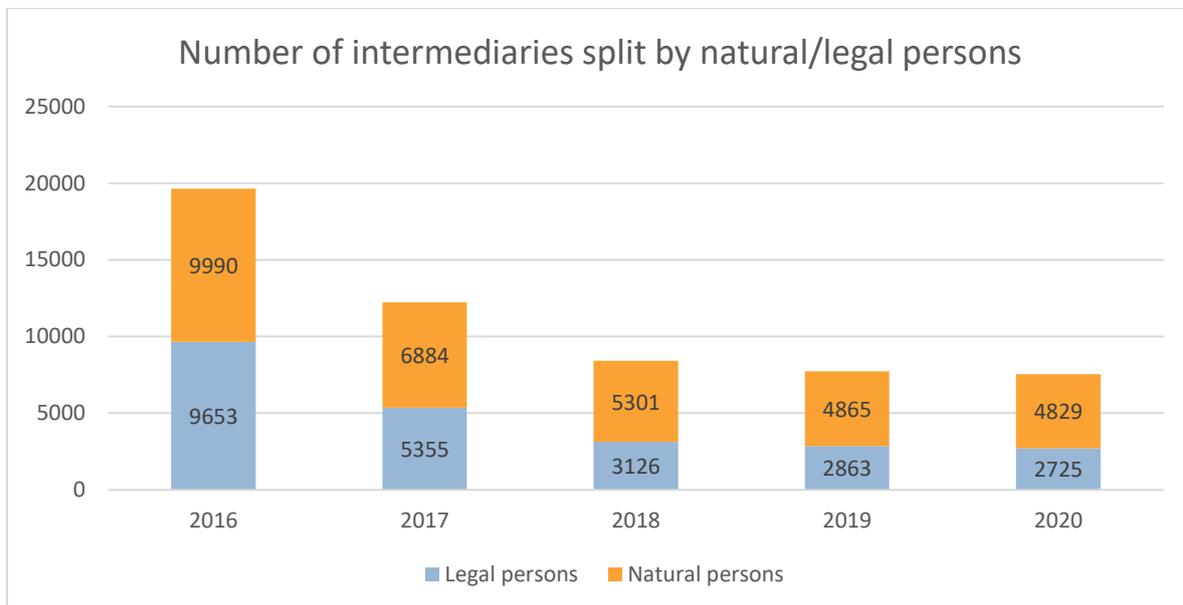
<https://ec.europa.eu/eurostat/documents/2995521/11081093/3-10072020-AP-EN.pdf/d2f799bf-4412-05cc-a357-7b49b93615f1>

² (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

³ Number of (re)insurance undertakings includes the domestically registered undertakings. Based on SII information (see link above)

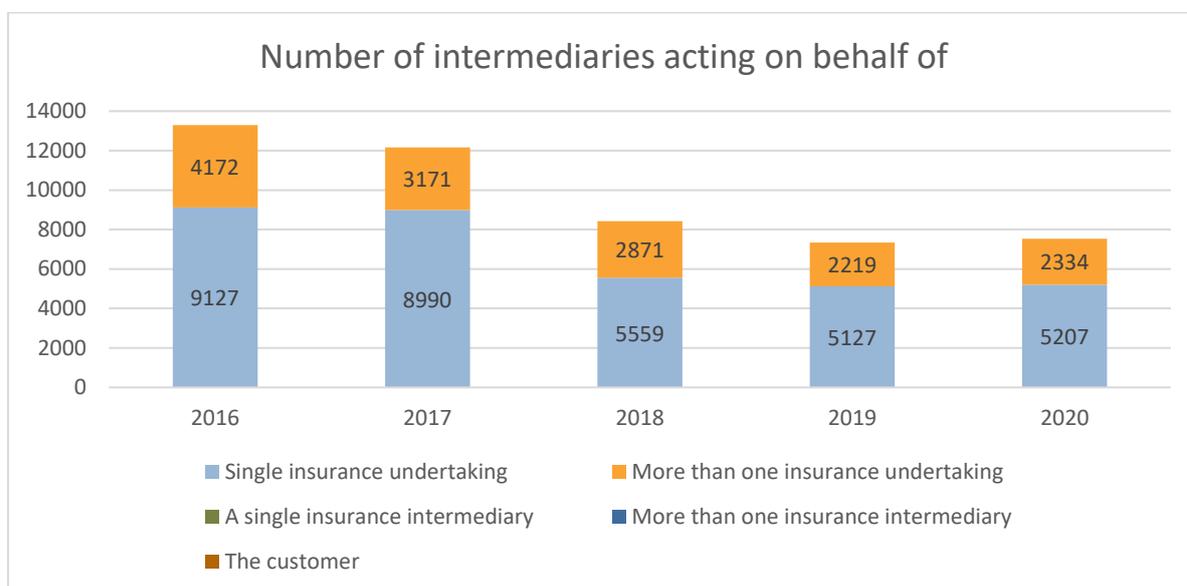
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Online registration system:

The Ordinance 67 has entered into force and regulates the procedure for registration of insurance intermediaries electronically, according to which intermediaries are registered electronically. Daily adjustments are performed.

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 information above is only for number of insurance agents. FSC is in process of developing new information system, which will provide all the information for all insurance intermediaries.

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

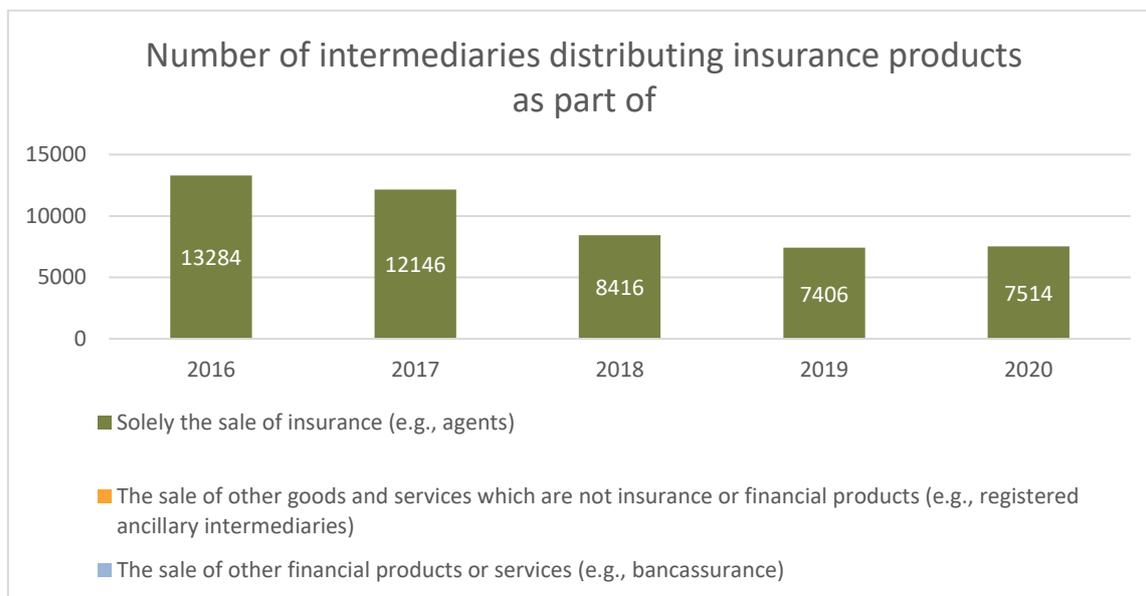
Number of intermediaries paid in relation to the insurance contract	No intermediary is remunerated this way	Up to 25% of the intermediaries in the market are remunerated this way	25%-50% of the intermediaries in the market are remunerated this way	50%-75% of the intermediaries in the market are remunerated this way	More than 75% of the intermediaries in the market are remunerated this way
1. on the basis of a fee					
2. on the basis of a commission					7,877
3. on the basis of any other type of remuneration					

4. on the basis of a combination of any type of remuneration set out at points 1, 2 and 3					
5.Total number of registered intermediaries (5=1+2+3+4)	0.00	0.00	0.00	0.00	7,877

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

The data include all insurance intermediaries - both brokers and agents. The data is till september 2021.

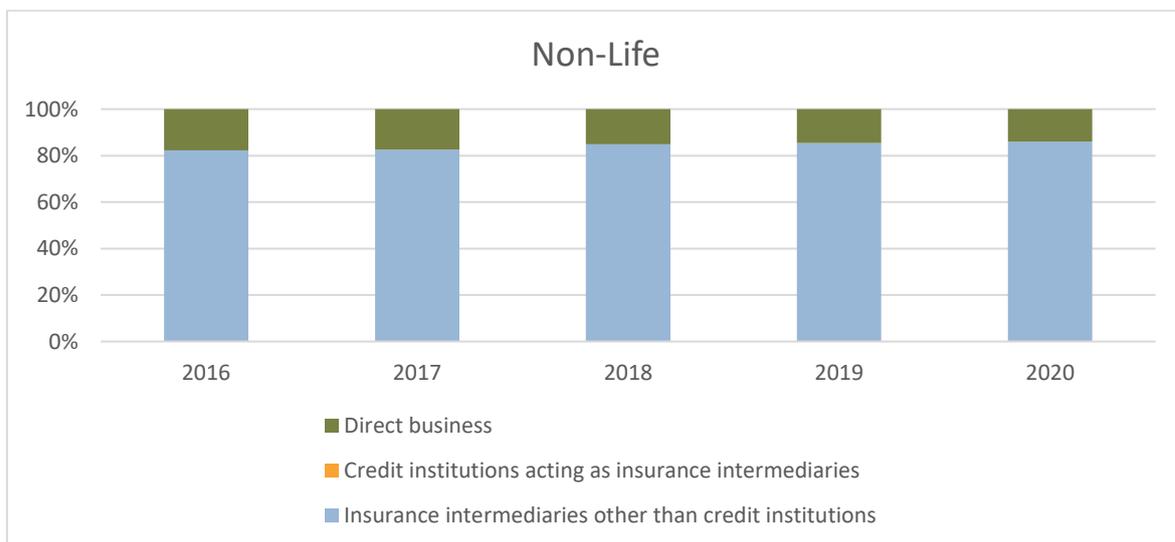
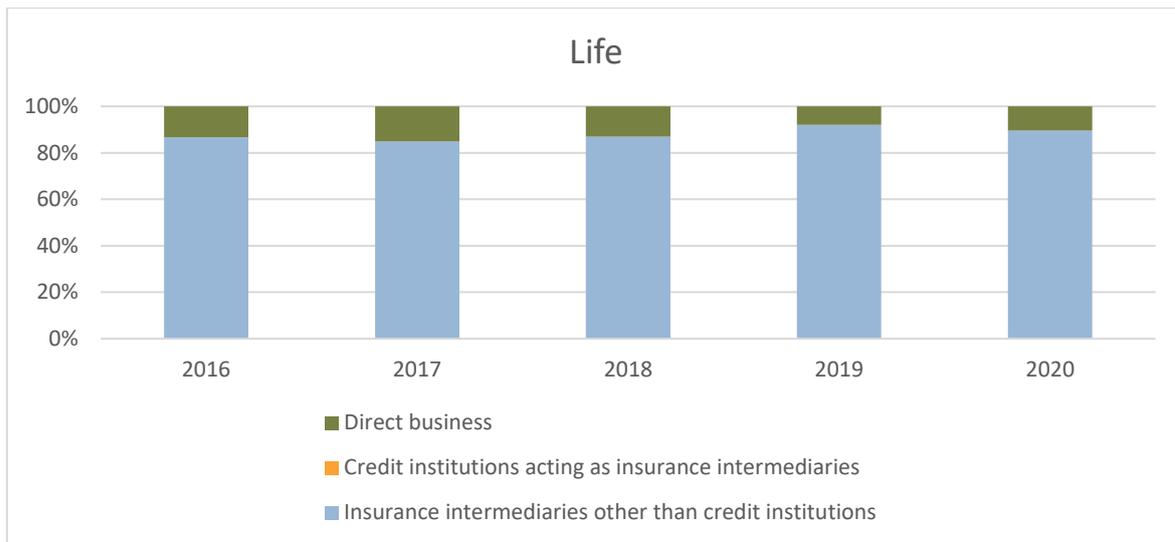
Registered insurance intermediaries split by categories based on the basis in which they sell insurance products:



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

FSC is in process of developing new information system, which will provide all the information for all insurance intermediaries distributing insurance products as part of the above points.

GWP split by distribution channels:

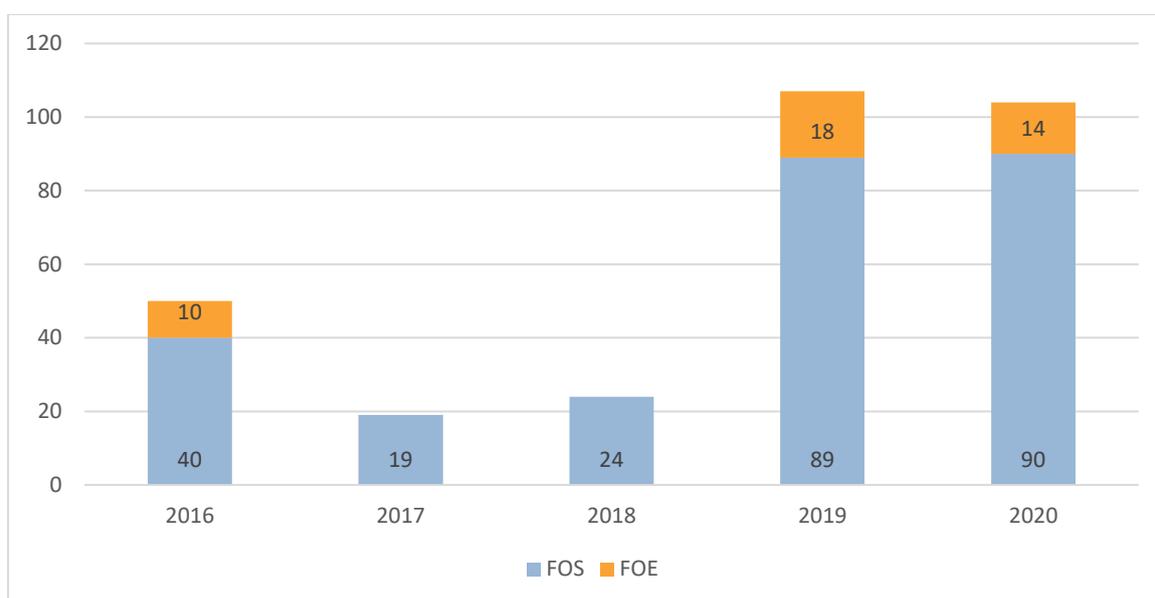


Comments provided by the NCA on the figures included in the charts above:

The information about insurance intermediaries other than credit institutions includes the gross written premiums realised via all insurance intermeriaries (brokers and agents). The Bulgarian FSC

does not collect statistical information separately for insurance brokers and insurance agents. According to the Bulgarian legislation the credit institution can operate only as insurance agents. In this regard, we cannot provide complete information as required in the table.

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)



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
<i>Austria</i>	2	2	4
<i>Belgium</i>	8	0	8
<i>Bulgaria</i>	0	0	0
<i>Cyprus</i>	0	0	0
<i>Croatia</i>	0	0	0

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<i>Czech Republic</i>	0	0	0
<i>Denmark</i>	8	0	8
<i>Estonia</i>	0	0	0
<i>Finland</i>	0	0	0
<i>France</i>	4	0	4
<i>Germany</i>	0	0	0
<i>Greece</i>	0	0	0
<i>Hungary</i>	0	0	0
<i>Iceland</i>	1	0	1
<i>Ireland</i>	1	1	2
<i>Italy</i>	0	0	0
<i>Latvia</i>	0	0	0
<i>Liechtenstein</i>	1	0	1
<i>Lithuania</i>	0	0	0
<i>Luxembourg</i>	3	0	3
<i>Malta</i>	1	0	1
<i>Netherlands</i>	2	0	2
<i>Norway</i>	1	0	1
<i>Poland</i>	0	0	0
<i>Portugal</i>	0	0	0
<i>Romania</i>	3	0	3
<i>Slovakia</i>	1	0	1
<i>Slovenia</i>	1	0	1
<i>Spain</i>	0	0	0
<i>Sweden</i>	0	0	0

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<i>Total EEA</i>	37	3	40
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General qualitative description of the “patterns of cross-border activity”:

We observe that most of the Bulgarian insurance intermediaries prefer to carry out insurance mediation activities under the freedom to provide services rather than under right of establishment in other Member States. In addition, all of the insurance intermediaries that carry out their activities in the territory of other Member States for the time being are legal entities and they are insurance brokers.

Additional quantitative information available not covered in the sections above which is relevant with respect to the insurance intermediaries market:

Of the realized premium income and the recorded income from commissions for 2020, 95% of them are from non-life insurance and 5% in life insurance. The written premiums and commissions in 2020, under non-life insurance are 76% from motor insurances and 19% under the other classes of non-life. For the written premiums and commissions on life insurance they are realized mainly from Life and annuity insurance and health insurance.

Information on the powers of the NCA

Statutory powers to implement the IDD:

The FSC and the Deputy Chairman of the FSC responsible for the Insurance Supervision Division have received statutory powers to complete the aforementioned tasks as Market monitoring under the Code of Insurance (CI) - Art. 290a; registration of (re)insurance intermediaries and ancillary insurance intermediaries - Art.296, para 1 CI; Notification procedure – Art.322, Art 323 CI; Breach of obligations when exercising the freedom to provide services and the freedom of establishment – Art. 323c, 323d, 323e CI; Publication of general good rules – Art.289 CI; Breaches, (administrative) sanctions and other measures, including their publication and reporting – Art. 312, para 1, Art.321, para 1, Art.321b, para 3, Art. 587, 635, 641, 644, 648 CI.

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

The FSC and the Deputy Chairman of the FSC responsible for the Insurance Supervision Division have been sufficiently empowered to ensure 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	1	3
Data-driven market monitoring, beyond complaints data analysis	1	2
Thematic reviews	1	2
Mystery shopping	1	1
On-site inspections	5	5
Off-site monitoring	5	5

Consumer focus groups	1	1
Product oversight activities	1	1
Consumer research	1	1
Investigations stemming out of complaints	1	2
Other <i>a priori</i> supervisory activities (e.g., fit&proper assessments)	n/a	n/a

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	grey	blue	grey	grey
Data-driven market monitoring, beyond complaints data analysis	grey	grey	grey	grey
Thematic reviews	grey	grey	grey	grey
Mystery shopping	grey	grey	grey	grey
On-site inspections	blue	grey	grey	grey
Off-site monitoring	blue	grey	grey	grey

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:

The following supervisory activities could be undertaken by the FSC and the Deputy Chairman of the FSC responsible for the Insurance Supervision Division before the introduction of the provisions of the IDD: Investigations stemming out of complaints, on-site inspections, off-site monitoring.

Mystery shopping can be used in the sale of packages of products when at least one of the products is a financial instrument according to the MiFID.

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