

Country-by-country analysis

ICELAND

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
07 December 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

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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	376.248	0.08%
(Re)insurance GWP (in million) ⁴	572,893	0.04%
Number of (re)insurance undertakings ⁵	8	0.5%
Number of registered insurance intermediaries	54	0.01%

National competent authority:

Central Bank of Iceland

³ Based on eurostat data for 1 January 2022:

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

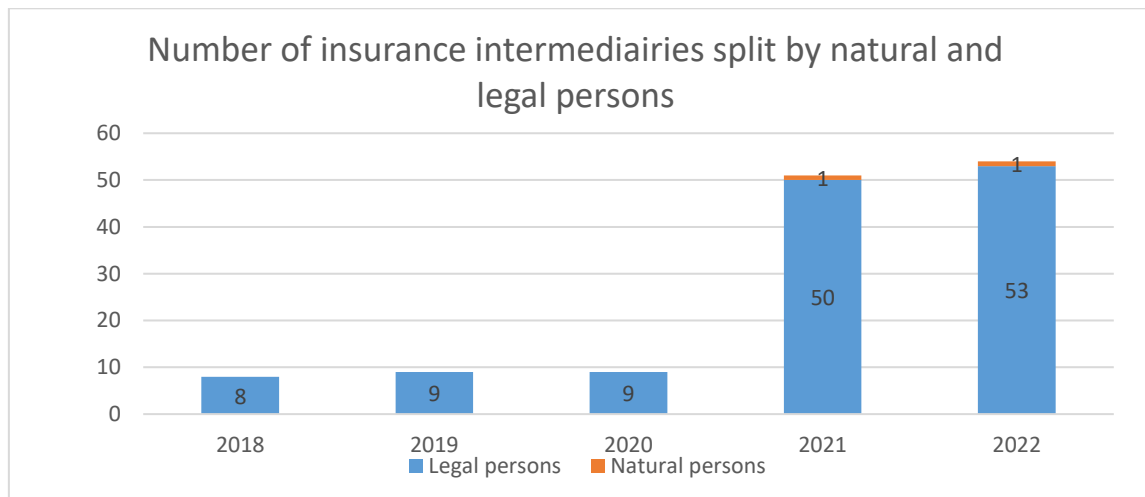
⁴ "(Re)insurance GWP includes life and non-life premiums generated by domestically registered undertakings year-end 2022 based on annually reported SII information:

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:



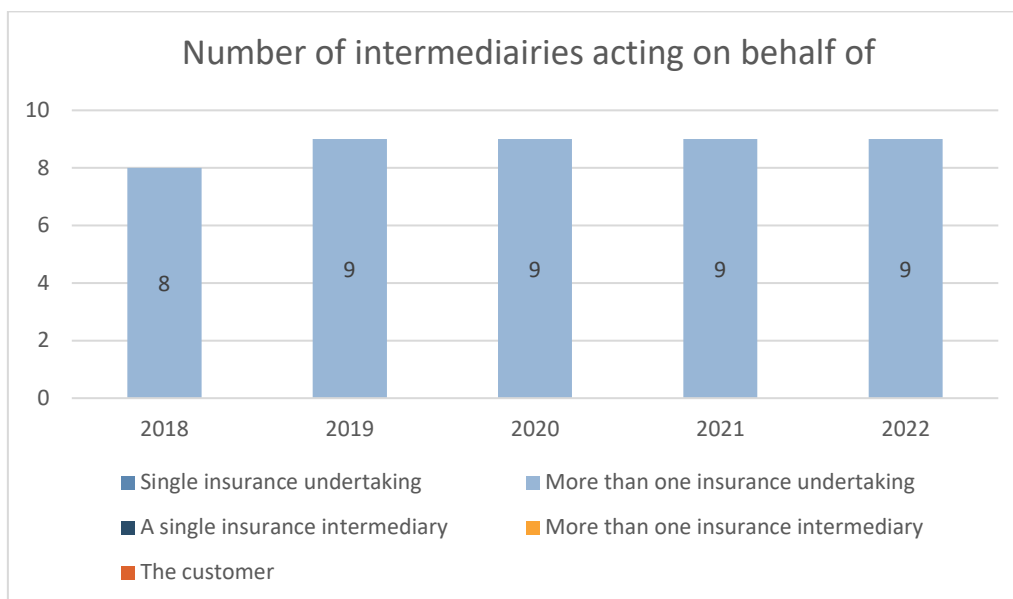
Comments provided by the NCA on the figures included in the chart above:

Full list is available at the following website link : <https://www.fme.is/eftirlit/eftirlitsskyld-starfsemi/dreifingaradilar-vatrygginga/> 2021 and 2022 include ancillary insurance intermediaries

Online registration system:

The Financial Supervisory Authority merged into the Central Bank of Iceland in January 2020 our webpage have been undergoing some changes. Unfortunately, the online registration system is not up and running yet. Since the IDD was implemented into Icelandic law only one insurance intermediary received a licence and that was in March 2020.

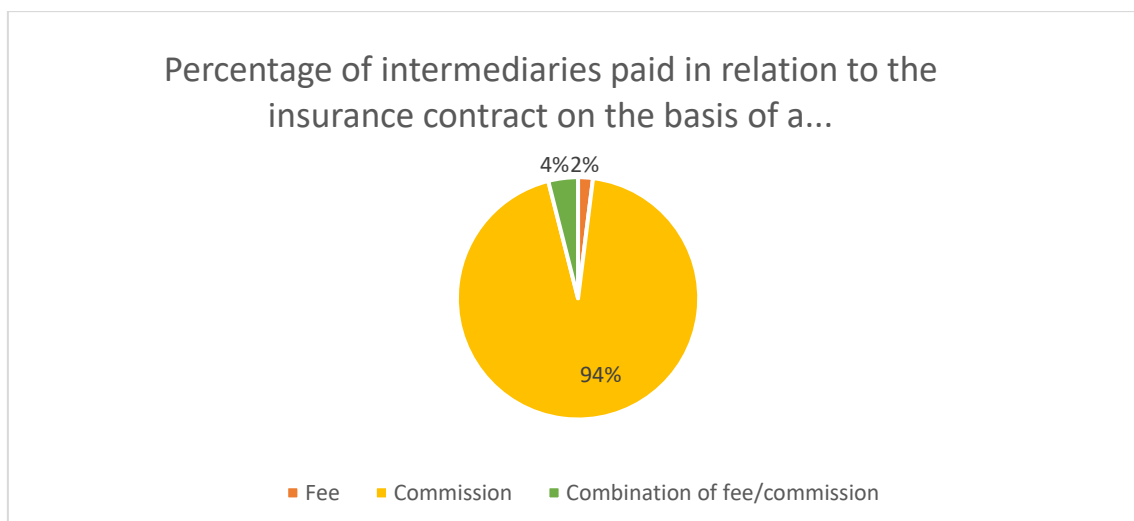
Registered insurance intermediaries split by categories based on the activities of insurance intermediaries:



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

Full list is available here: <https://www.fme.is/eftirlit/eftirlitsskyld-starfsemi/dreifingaradilar-vatrygginga/>

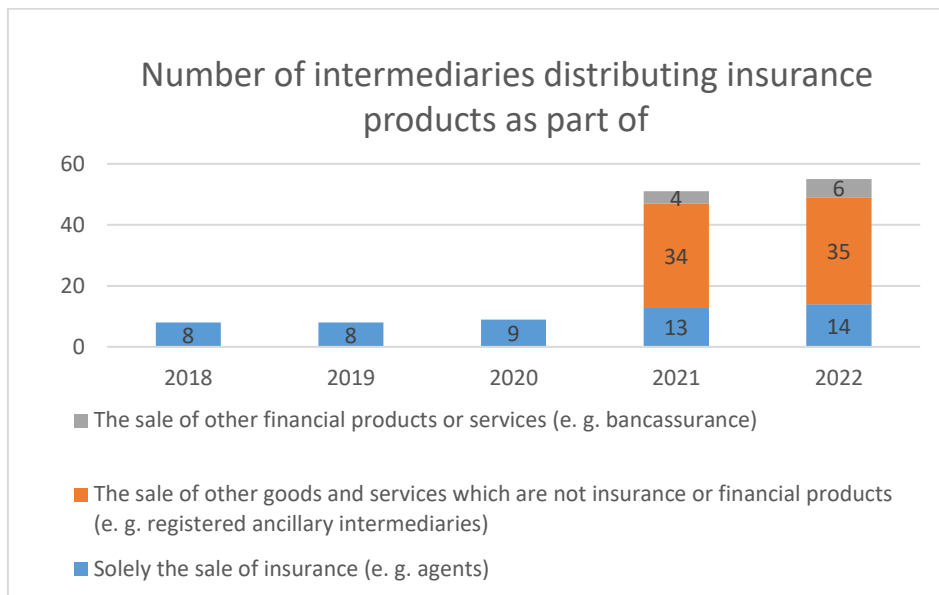
Way of remuneration of insurance intermediaries in relation to the insurance contract in 2022:



Comments provided by the NCA on the figures above :

This split is based on number of intermediaries (total 55), not by premium volume. Out of nine licenced insurance intermediaries there is only one that receives their remuneration paid directly by the customer and two that operate on a combination of fee and commission. We assume that insurance brokers / agents and auxiliary insurance intermediaries (total 46) received their remuneration as a part of the insurance premium (commission).

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

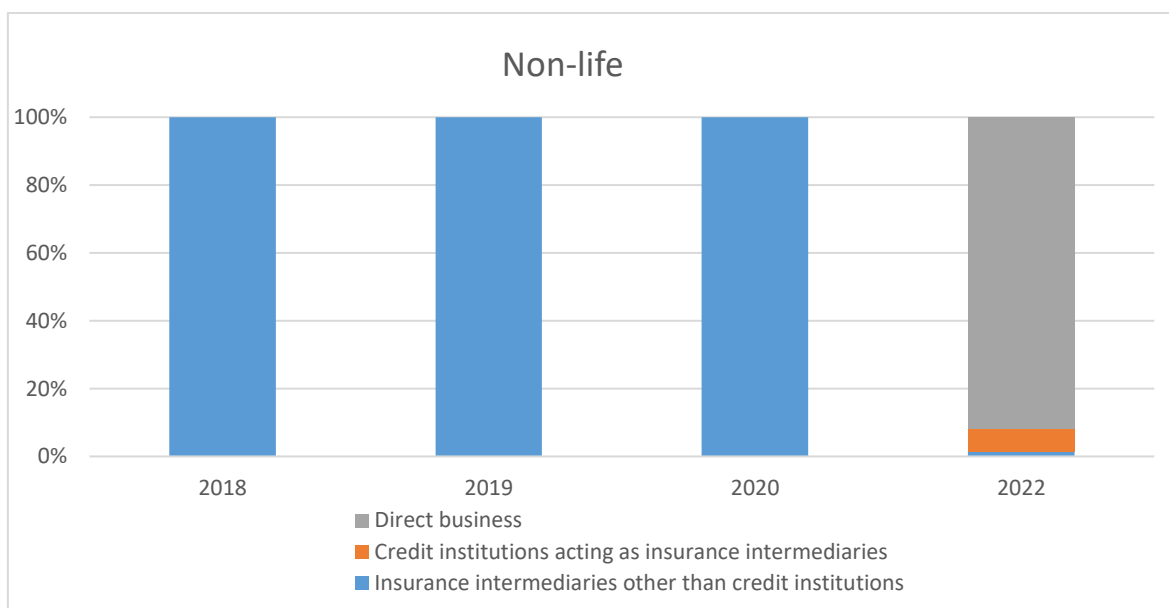
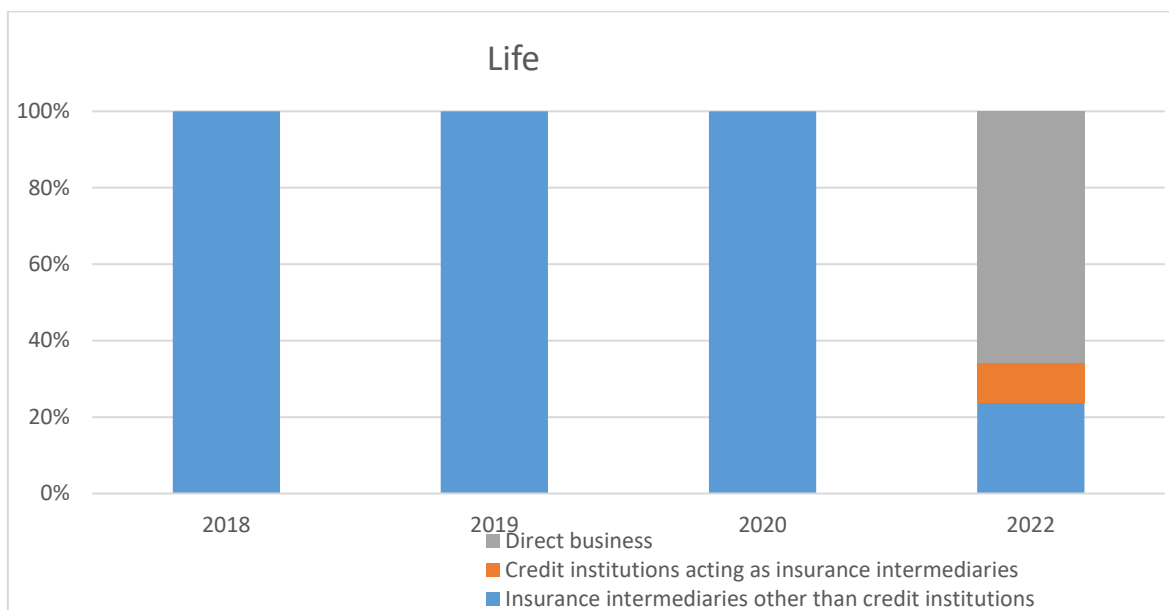


Comments provided by the NCA on the figures included in the chart above:

Full list is available here: <https://www.fme.is/eftirlit/eftirlitsskyld-starfsemi/dreifingaradilar-vatrygginga/>

2021 and 2022 includes ancillary insurance intermediaries

GWP split by distribution channels:



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

Information is sourced via local reporting for all licenced intermediaries, a specific data request to relevant undertakings regarding point 2 and Solvency II reporting for total written premiums.

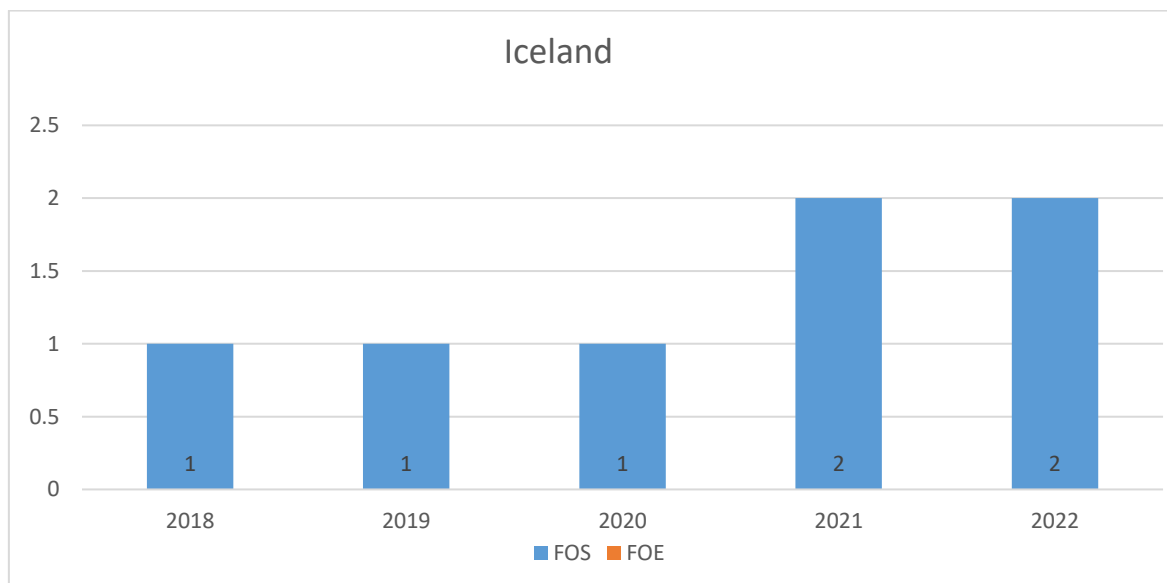
Proportion of online intermediation/sales (e.g. directly via websites, mobile applications, e-mails) in terms of the total volume of gross written premiums:

Online distribution varies between insurance undertakings as the quality/level of their online distribution channels are vastly different. Some undertakings offer fully automated sales via web/mobile app while others offer what is basically a form for information on insurance needs which is then completed by a natural person. The undertaking that has the most advanced online distribution (~20% market share) has seen their online sales (fully automated) gone from 0% in 2018 to about 25%. The second largest undertaking (~30%) reports that about 25% of their sales are what they would classify as online/digital. Another undertaking (~16% market share) that has also developed fully automated online / app based sales currently sells about 0,5% through the app and 4,5% through the web.

Comments provided by the NCA on the data above:

Specific data request was sent to Icelandic undertakings, which represent >95% of the domestic written premiums.

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.

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

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

Limited to none cross-border activities of domestic intermediaries, no pattern has been emerging and we have not seen any increased interest of domestic entities looking to start operations via FoS or FoE.

Information on the resources of the NCA

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

It would be helpful to the FSA's supervisory procedure to be able to use mystery shopping. The FSA does not have the power (legally) to use mystery shopping in its supervision.