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EUROPEAN INSURANCE  
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# EIOPA Fourth Consumer Trends Report

IRSG meeting  
Frankfurt, 16 February 2016

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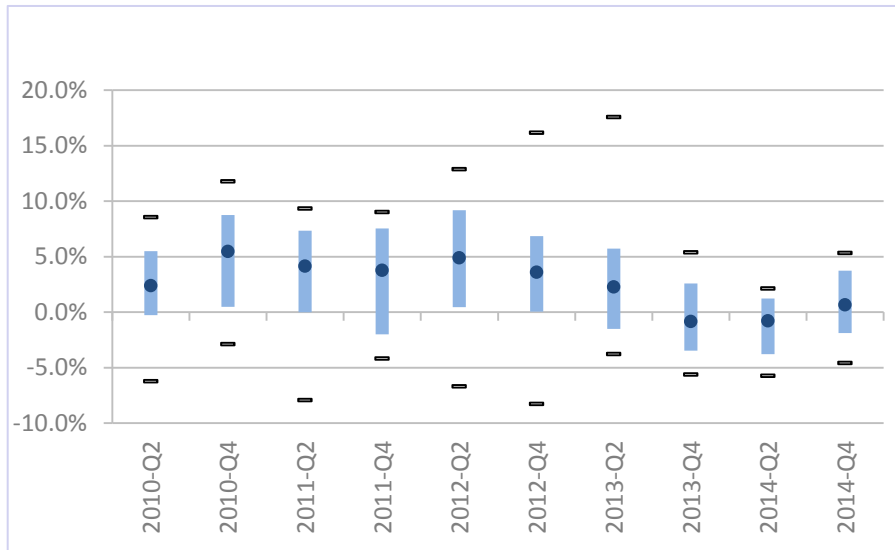
# Novelties compared to previous reports



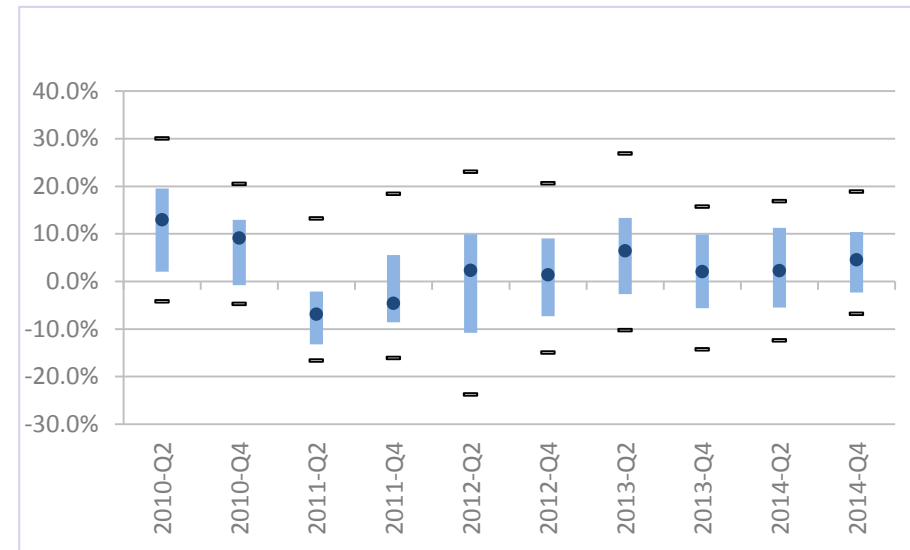
- It covers **occupational and personal pensions** for the first time
- **Description of the trends**, including positive developments and potential consumer protection issues arising from them
- **Specific examples of NCA activities** → more transparency and promote exchanges of information between NCAs
- **Insurance and Pension “Key figures” section** → **timeline graphics**
- **Conclusions** → Includes examples of on-going and future EIOPA consumer protection activities

# Market growth

## Non-Life - GWP



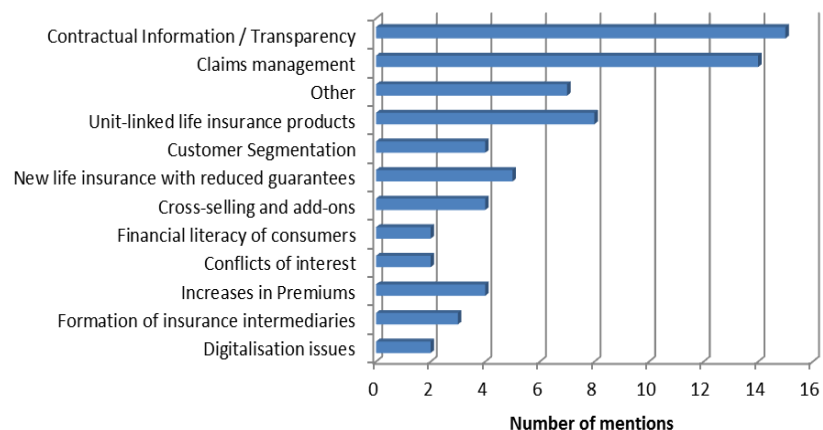
## Life - GWP



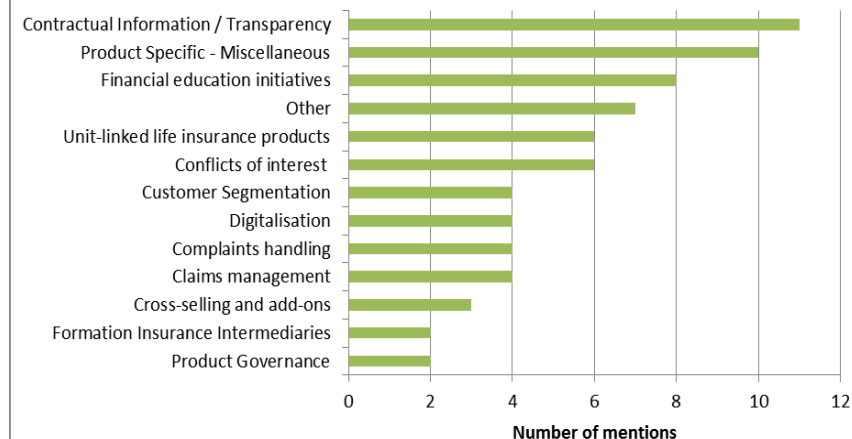
# Headline Trends (1)

- **Information and transparency issues** continue to be the most significant consumer protection issue for most NCAs.

### Top 3 Consumer Issues - Insurance



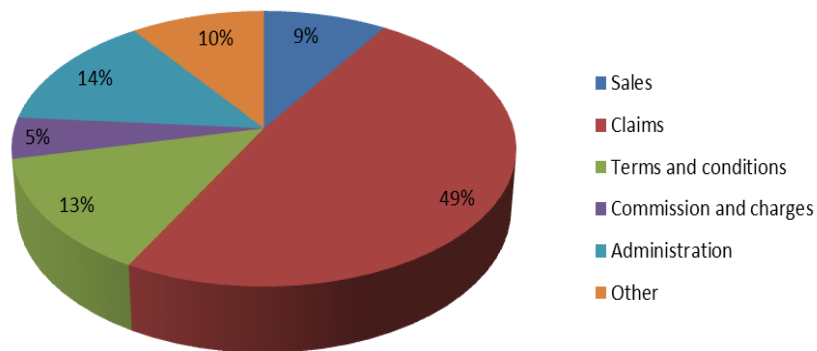
### Thematic Work - Insurance



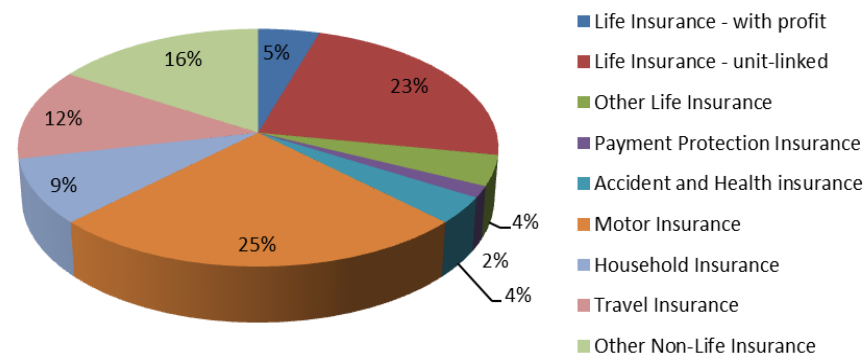
# Headline Trends (2)

- Issues around the **management of claims** continue to exist, in particular in the motor insurance sector

### Insurance Complaints by Cause



### Insurance cross-border complaints (FIN-NET)

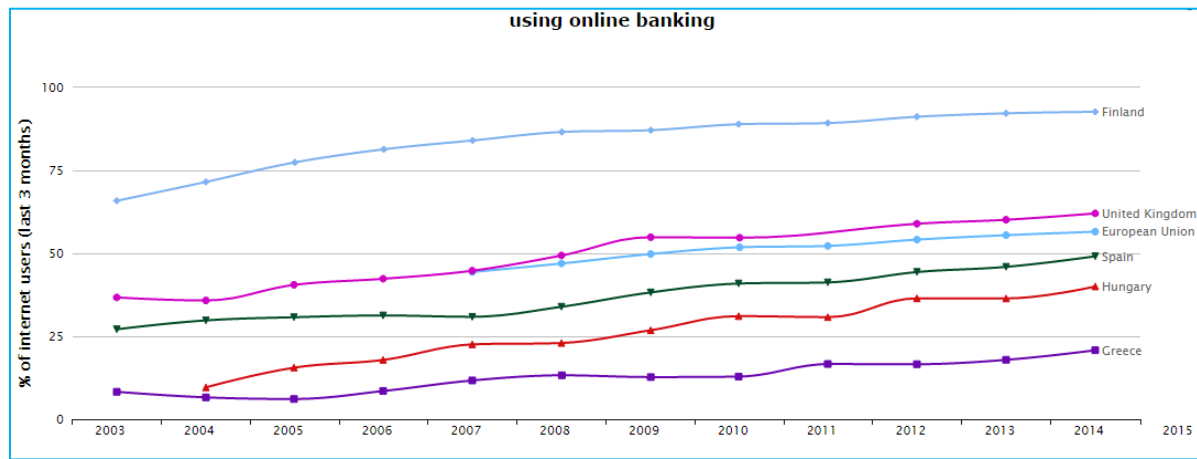


- **New life insurance products with reduced guarantees** and switching from life insurance guaranteed policies to policies without guarantees → **low interest rates environment**



# Headline Trends (4)

- **Digitalisation of the insurance sector:** traditional insurance business models are progressively being altered/disrupted
- **Big Data:** More customised products and innovative segmentation and pricing techniques positive, but raise privacy and access concerns



# Headline Trends (5)

- o **Management of conflicts of interest:** NCAs increasingly monitor/regulate how potential conflicts of interests are managed (also IDD)

**EXHIBIT 1 | Five European Countries Have Already Introduced Commission Bans**

Country	Year	Commission, by product			Commission, by sales channel		
		Life insurance	Complex property-and-casualty insurance	Simple property-and-casualty insurance	Tied and employed sales agent	Broker	Direct
United Kingdom	2013	Commission is banned or regulated	Commission is regulated	Commission is regulated	Commission is banned or regulated	Commission is banned or regulated	Commission is regulated
Netherlands	2013	Commission is banned or regulated	Commission is regulated	Commission is regulated	Commission is banned or regulated	Commission is banned or regulated	Commission is regulated
Norway <sup>1</sup>	2008	Commission is banned or regulated	Commission is banned or regulated	Commission is banned or regulated	Commission is regulated	Commission is banned or regulated	Commission is regulated
Denmark	2006	Commission is banned or regulated	Commission is banned or regulated	Commission is banned or regulated	Commission is regulated	Commission is banned or regulated	Commission is regulated
Finland	2004	Commission is banned or regulated	Commission is banned or regulated	Commission is banned or regulated	Commission is regulated	Commission is banned or regulated	Commission is regulated

Legend:   
 [Light Blue Box] Commission is banned or regulated   
 [Light Green Box] Commission is regulated

Sources: BCG analysis; Web searches.  
Note: Schadeverzekeringen was excluded from the commission ban in the Netherlands.  
<sup>1</sup>Exceptions for complex property-and-casualty insurance in Norway: Non-Norwegian insurers can pay commissions, provided the amount is disclosed to the client. The commission ban in Norway also doesn't cover reinsurance or property and casualty insurance in the aviation, marine, and energy industries.



- The IRSG is invited to provide **feedback by 30 April 2016** on:
  - o **Product-related trends** (see questionnaire attached)
  - o On the following specific topics:
    - **Mobile phone applications** ("apps") developed by insurance undertakings to provide services to their customers
    - The use of **geo-coding/geo-localisation technology in household insurance**
    - How insurance undertakings **fight against fraud**
    - Possible implications of **Big Data** for the principle of solidarity in the insurance sector



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# Questions?

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