

General Good for providers of cross-border insurance mediation services

In accordance with Article 6 of the Financial Supervision Authority Act (in Estonian: Finantsinspektsiooni seadus), Article 209 of the Insurance Activities Act (hereinafter referred to as IAA, in Estonian: kindlustustegevuse seadus), and Article 11 of the Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (IDD), we hereby advise you of the rules on the provision of cross-border insurance mediation services in Estonia as well as of the conditions that are stated in Estonia in the interest of general good in order to safeguard the compliance of the activities and services to be provided in Estonia with the relevant requirements and for conducting financial supervision. Finantsinspektsioon cannot be held liable for inaccuracies in or incompleteness of the list of general good rules.

General good rules within the meaning of Article 11(1) of the IDD

Scope, registration and organizational requirements

IDD Art. 3(1) sp 6	IAA § 195(1), § 175(1)	An insurance agent shall be entered in the list of intermediaries by an insurance undertaking whom the agent represents or, in the cases provided by law, by the Financial Supervision Authority. This requirement also applies to ancillary insurance agents referred to in article 1(3) of the IDD.
IDD Art. 10(2)	IAA § 103.1(2), § 105(2) p 10, § 175(3); § 178(1; 3-5); § 186(2) p 16, § 197(1; 7), § 224(1) p 4.1	The opportunity to acquire the knowledge in the field of insurance shall be ensured for insurance agents by an insurance undertaking whose insurance contracts are mediated by these persons. An insurance broker shall ensure training in the field of insurance for the person directly engaged in insurance distribution.
IDD Art. 10(3)	IAA § 191(1-3), § 195(2), § 197(1; 3; 4; 6)	Insurance broker has to ensure also the good business reputation of a natural person directly engaged in insurance distribution. An insurance undertaking may enter in the list of intermediaries only an insurance agent who meets the requirements provided for insurance agents by IAA.

Advice, and standards for sales where no advice is given

IDD Art. 20(7), sp 2	IAA § 103.2(6-7), § 185.1(1), § 192(2) p 5.1, § 192(2.1), § 198(2.1); Law of Obligations Act § 428(2.4)	The insurance product information document is to be provided together with information required pursuant to other relevant Union legislative acts or national law.
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Information exemptions and flexibility clause

IDD Art. 22(1), sp 2	IAA § 192(3), § 198(4), § 222.1(3); Law of Obligations Act § 428(5)	The information referred to in Articles 29 and 30 of this Directive need not be provided to a professional client as defined in point (10) of Article 4(1) of Directive 2014/65/EU.
IDD Art. 22(2), sp 3	IAA § 192(2) points 6-7, § 198(2) p 4, § 221	Each time before the entry into an insurance contract and in case of recognisable necessity also before the amendment of an insurance contract which has previously been entered into, an insurance intermediary shall specify, on the basis of information provided by the client, the insurable interest of the client and the client's requirements for the insurance contract, recommend from among the insurance contracts offered by the insurance undertaking an insurance contract which is the best match for the insurable interests and requirements of the client and provide the client with sufficient explanations in accordance with the complexity of the insurance contract and type of the client so that the client would be able to make an informed decision regarding the entry into the insurance contract. The requirement for provision of a recommendation need not be adhered to in case of a unit-linked life insurance contract.

Information to customers

IDD Art. 29(1), sp3	IAA § 192(2) p 3, § 198(2) p 8; Law of Obligations Act § 428(2) p 4	The information referred to in this paragraph shall be provided in a comprehensible form in such a manner that customers or potential customers are reasonably able to understand the nature and risks concerning the insurance-based investment product offered and, consequently, to take investment decisions on an informed basis.
IDD Art. 29(3), sp 3	IAA § 221.1, § 222	The requirement for provision of a recommendation need not be adhered to in case of a unit-linked life insurance contract (Insurance Activities Act § 222 (3)). A unit-linked life insurance contract means a contract, the amount payable under which depends fully or partially, directly or indirectly, on the value of the underlying assets or general investment performance. A unit-linked life insurance contract within the meaning of this Act does not refer to a contract, under which payments are made only in case of death, injury, illness or disability, or a contract related to the management of an occupational pension fund. (Insurance Activities Act § 222 (1))
IDD Art. 29(3), sp 4	IAA § 192(1) p 2, § 192(2) p 5, § 192(2.2)	Mandatory for all insurance brokers.

Assessment of suitability and appropriateness and reporting to customers

<p>IDD Art. 30(3)</p>	<p>IAA § 222.1</p>	<p>An insurance undertaking does not need to assess the appropriateness of a unit-linked life insurance contract in accordance with § 222 of IAA, if the following conditions are met:</p> <ol style="list-style-type: none"> 1. the policyholder himself or herself has approached the insurance undertaking with the request to enter into such contract and the insurance undertaking has warned the policyholder that in such case the assessment of the appropriateness of the unit-linked life insurance contract is not required and therefore the interests of the policyholder may be less protected; 2. the risk deriving from the underlying assets of the unit-linked life insurance contract is connected with non-complex securities within the meaning of the Securities Market Act and the structure of the unit-linked life insurance contract does not make it difficult for a policyholder to understand the risks deriving from the underlying assets or the unit-linked life insurance contract is not complex within the meaning of the Commission delegated regulation adopted under Article 30 (6) of Directive (EU) 2016/97 of the European Parliament and of the Council. <p>An insurance undertaking does not need to assess the suitability or appropriateness of a unit-linked life insurance contract for a policyholder if this is an insurance contract for a supplementary funded pension, which has been chosen for the policyholder and on the basis of which the insurance premiums for the policyholder are only paid by his or her employer.</p> <p>An insurance undertaking does not need to assess the suitability or appropriateness of a unit-linked life insurance contract if the policyholder is a qualified investor within the meaning of subsections (6) 2)–22) of the Securities Market Act.</p>
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Other relevant information for a foreign intermediary

An insurance intermediary from an EU Member State exercising the freedom to provide cross-border services by carrying on its activities in Estonia has to adhere thereto to the IAA, Motor Third Party Liability Insurance Act (hereinafter referred to as: MTPLIA; in Estonian: liikluskindlustuse seadus) and other legislation - Decrees of the Government of the Republic, Decrees of the Minister of Finance, a Decree of the Minister of Social Affairs - issued on the basis of the IAA and MTPLIA on the provision of services permissible for insurers and as well as the relevant Finantsinspektsioon's (Estonian Financial Supervision and Resolution Authority) guidelines.

When providing insurance mediation services the rules of contract law and principles of consumer protection, regulated in the Law of Obligations Act (in Estonian: võlaõigusseadus) and Consumer Protection Act (in Estonian: tarbijakaitseseadus), have to be followed, stating inter alia that if insurance is marketed in Estonia to consumers or traders comparable to consumers, the insurance terms and conditions as well as other information given to the applicant and policyholder about the insurance must be provided in the applicant's or policyholder's native language if it is Estonian. The complaints of customers can be treated by the Consumer Protection Board as well as by Finantsinspektsioon.

With regard to the prevention of money laundering and terrorist financing, the insurance intermediary when exercising the freedom to provide cross-border services in Estonia has to follow the Money Laundering and Terrorist Financing Prevention Act (hereinafter referred to as: MLTFPA; in Estonian: *rahapesu ja terrorismi rahastamise tõkestamise seadus*), other legislation issued on the basis of MLTFPA and Finantsinspektsioon's guidelines.

Apart from that, we would like to note that the insurance intermediary exercising the freedom to provide cross-border services in Estonia has to follow other requirements that have not been referred above, but are provided for in the Estonian legislation applicable to the providers of insurance mediation services in Estonia. The Estonian legal acts are available both in the Estonian and in the English language on the website www.riigiteataja.ee. The guidelines of the Finantsinspektsioon are available on the [website of the Finantsinspektsioon](#).

With regard to financial supervision over the natural and legal persons exercising the freedom to provide cross-border insurance mediation services, on the basis of Article 5 of the Directive (EU) 2016/97, Finantsinspektsioon is entitled to demand the termination of the violating acts or legal acts based on them. In case the demands of Finantsinspektsioon will be denied, Finantsinspektsioon shall inform the competent authority of the home country of the institution exercising the freedom to provide cross-border services. If the measures taken by the competent authority of the home country of the institution deem to be insufficient to terminate the violation, Finantsinspektsioon is entitled to apply measures provided for in legislation in order to terminate the violations and forbid further exercise of the freedom to provide cross-border services.

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