
Registration of insurance intermediaries

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[The Insurance Activities Act](#)

An insurance intermediary specialises in intermediating insurance contracts, and earns a fee for doing so. Insurance intermediaries in Estonia are divided into insurance brokers and insurance agents. The roles of an insurance broker and an insurance agent are fundamentally different, as an insurance broker represents the interests of the policyholder, while the agent represents the interests of the insurance company.

Registration of insurance intermediaries

- Insurance agents are listed under the insurance company that authorised their activity. The insurance company is responsible for the correctness of the entries in the list.
- For an insurance broker to be entered in the list of insurance intermediaries, an application must be submitted in writing to Finantsinspektsioon. The decision of whether to accept the entry in the list or to refuse it is taken by Finantsinspektsioon within one month after the documents and data required by law have been submitted.

Registration of insurance agents in the list of insurance intermediaries

Entry or refusal of insurance agents in the list of intermediaries

- Insurance agents are entered into the list of intermediaries by the insurance company they represent or by Finantsinspektsioon in certain circumstances defined by law.
- An insurer may only enter into the list of intermediaries those insurance agents that have not already been entered as an insurance agent intermediating insurance contracts for the same type or subtype of insurance activity by another insurer, and that meet the requirements for insurance agents in the Insurance Activities Act.
- The insurer enters the insurance agent into the list of intermediaries immediately after signing a contract with the agent.
- Before signing the agent contract, the insurance agent must inform the insurer of any significant participation in another insurer, if they directly or indirectly hold 10% or more of the shares or equity of the insurer or its parent company or control the votes of 10% or more of the shares or have other rights that would allow them to influence the management of that company.
- The name, personal ID code or date of birth if they have no ID code, and contact details of an insurance agent who is a physical person are entered in the list of intermediaries.
- The business name, registry code, address and member of management responsible for

intermediation are entered for insurance agencies in the list of intermediaries.

Changes to the data of insurance agents in the list of intermediaries and removal of insurance agents from the list

- The insurer must change or delete any incorrect data in the list of intermediaries immediately after receiving notification that the data have changed or should be deleted. The insurance company that has made the entries in the list of intermediaries is responsible for the correctness of those entries.
- The insurer who is represented by the insurance agent deletes the insurance agent from the list if:
 - the agency contract is ended;
 - an insurance agent who is a physical person dies or if an insurance agency closes down.
- Finantsinspeksioon may delete an insurance agent from the list of intermediaries if:
 - the insurance agent does not meet the requirements of the Insurance Activities Act or other legislation deriving from it and applicable to insurance agents;
 - a member of the management board of the insurance agency does not meet the requirements of the Insurance Activities Act or other legislation deriving from it and applicable to management board members of insurance agencies;
 - the insurance agent has repeatedly or substantially broken the Insurance Activities Act, their activities or inactivity are not in line with best business practice, or the interests of clients, the insured or beneficiaries are not sufficiently protected.
- If Finantsinspeksioon removes an insurance agent from the list of intermediaries in line with § 196(3) of the Insurance Activities Act, the agency contract is ended by the removal from the list.

Registration of insurance brokers in the list of insurance intermediaries

Entry of insurance broker in list of intermediaries

In order to be entered in the list of intermediaries, an insurance broker shall submit to the Financial Supervision Authority a written application and the following information and documents:

- The articles of association of the insurance broker and, in the case of an operating company, also the resolution of the general meeting on amendment of the articles of association and the amended text of the articles of association;
- In the case of the insurance broker which is a company being founded, a notarised transcript of the memorandum of association or foundation resolution and a notice of the credit institution concerning payment of the share capital;
- A list of the shareholders, which sets out the name, registry code or personal identification code or date of birth in the absence thereof for each shareholder, and information on the amount of contribution, number of shares or units and votes of each shareholder;
- The business name of the insurance undertaking in which the insurance broker has a qualifying holding and the size of the holding;
- The name, registry code or personal identification code, or date of birth in the absence thereof, of a person closely linked to the insurance broker;
- Information stating that the holding of at least ten percent in the insurance broker or a close

link of the insurance broker to any person shall not prevent the exercise of supervision over the insurance broker at the requisite level;

- Data on a member of management board who is responsible for insurance distribution, including his or her name, personal identification code, or date of birth in the absence thereof, residence, educational background and a complete list of places of employment and positions for the past five years;
- A confirmation that the member of the management board of the insurance broker meets the requirements provided by law and the circumstances specified in subsection 191 (2) and (4) of the Insurance Activities Act which preclude membership in the management board do not exist;
- A confirmation that a member of the management board of the insurance broker who is responsible for insurance distribution has experience of working in the field of insurance or other financial services and the knowledge in the field of insurance provided for in § 178 of the Insurance Activities Act;
- An offer of a valid liability insurance contract of the insurance broker compliant with the conditions provided for in the Insurance Activities Act or an offer of a guarantee contract of an insurance undertaking or a credit or financial institution;
- The internal rules for the provision of the insurance broker's service or draft thereof;
- Regarding an applicant who is a natural person, the data set out in subsection 188 (4) of the Insurance Activities Act;
- Regarding an applicant which is a company, the data set out in subsection 188 (5) of the Insurance Activities Act.

An applicant shall promptly notify the Financial Supervision Authority of any changes in the information and documents specified in subsection 187 (1) of the Insurance Activities Act when becoming aware of the fact that caused the change or after changing the information and documents.

Decision to enter or refuse to enter insurance broker in list of intermediaries

The Financial Supervision Authority shall enter an applicant in the list of intermediaries if the submitted data and documents comply with the requirements, and if it is possible to verify on the basis of the submitted data and documents that the insurance broker has the sufficient resources and capacity to carry out insurance distribution, and that the interests of the clients are sufficiently protected.

The Financial Supervision Authority shall make a decision to enter or refuse to enter an insurance broker in the list of intermediaries within three months after submission of all the required data and documents.

The Financial Supervision Authority shall enter an applicant in the list of intermediaries immediately after the corresponding decision is made and the receipt of a copy of a valid liability insurance contract which meets the requirements provided for in § 179 of the Insurance Activities Act or of a guarantee contract.

The name, personal identification code or date of birth in the absence thereof and contact details, including an e-mail address, shall be entered in the list of intermediaries with regard to an applicant who is a natural person.

The business name, registry code, address of the registered office, contact details, including an e-mail address and website address, if any, and the name of the member of the management board responsible for insurance distribution shall be entered in the list of intermediaries with regard to an

applicant which is a company.

Deletion of insurance broker from list of intermediaries

The Financial Supervision Authority shall delete an insurance broker from the list of intermediaries in the following cases:

- The insurance broker submits an application to be deleted from the list of intermediaries;
- In case of death of the insurance broker who is a natural person or upon dissolution of the insurance broker who is a legal person.

The Financial Supervision Authority may refuse to delete an insurance broker from the list of intermediaries on the basis provided for in clause 190 (1) 1) of the Insurance Activities Act if, in the opinion of the Financial Supervision Authority, the deletion may damage the clients' interests.

The Financial Supervision Authority may delete an insurance broker from the list of intermediaries if:

- The insurance broker does not meet the requirements provided for in the Insurance Activities Act or legislation established on the basis thereof;
- A member of the management board of the insurance broker does not meet the requirements provided for in the Insurance Activities Act or legislation established on the basis thereof;
- The insurance broker has repeatedly or materially violated the Insurance Activities Act, the activities or omissions of the insurance broker are not in compliance with good business practices or the clients' interests are not sufficiently protected against the risks arising from the activities or omissions of the broker.

Providing cross-border insurance intermediation services in Estonia

An insurance intermediary from a European Union member state that wants to provide cross-border insurance intermediation services in Estonia must adhere to the requirements of the Insurance Activities Act and the Motor Insurance Act and any other legislation derived from them such as regulations issued by the government, the Ministry of Finance and the Ministry of Social Affairs, and the guidelines of Finantsinspektsioon.

The provision of insurance intermediation services must also adhere to the Law of Obligations Act and the Consumer Protection Act. If insurance is provided to consumers in Estonia, the insurance conditions and all other notifications must be clearly understandable to applicants and policyholders and must be presented in Estonian. Consumer complaints are handled by the Consumer Protection Board and also by Finantsinspektsioon.

An insurance intermediary providing services in Estonia must also follow requirements in the Money Laundering and Terrorist Financing Prevention Act and legislation derived from that, including guidelines of Finantsinspektsioon.

Finantsinspektsioon has the right to require that activities that break the law be ceased. If measures taken by the authorities of the insurance intermediary's home country are not sufficient to end the breach of the law, Finantsinspektsioon has the right to take the measures set out in law and to prohibit the provision of cross-border services in the future.

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