
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

Entering insurance brokers in the list of intermediaries

To be entered in the list of intermediaries, the insurance broker must submit a written application to Finantsinspeksioon together with the following data and documents:

1. the statutes for an insurance broker that is operating, any decision by the general meeting to amend the statutes, and the amended text of the statutes;
2. a notarised copy of the foundation contract or decision for an insurance broker being founded and confirmation from a credit institution that share capital has been paid in;
3. a list of the shareholders or owners showing the name of each shareholder or owner, their registry code or ID code, or date of birth if they have none, and details on the share or equity holdings of each shareholder or owner and the number of votes they have;
4. the business name of any insurer in which the insurance broker has a significant participation, and the size of that participation;
5. information on the member of the management board responsible for insurance intermediation, covering that person's name, personal ID code or date of birth if there is no ID code, place of residence, description of education, and full list of jobs and positions held in the past five years;
6. confirmation that the member of the management board of the insurance broker meets the

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- legal requirements and that none of the circumstances given in § 191(2) and (4) of the Insurance Activities Act that would prevent membership of a management board apply;
7. evidence that the member of the management board of the insurance broker responsible for insurance intermediation has experience of work in insurance or other financial services and the training in insurance listed in § 178 of the Insurance Activities Act;
 8. a valid insurance broker's liability insurance contract that meets the terms of the Insurance Activities Act or an offer of a guarantee contract from an insurance company or credit or financial institution;
 9. internal rules for the provision of insurance brokerage services or proposals for them.

The applicant must immediately inform Finantsinspeksioon of any changes to the data and documents listed in § 187(1) of the Insurance Activities Act as soon as the conditions causing the change become known or when the data and documents change.

Entry or refusal of insurance brokers in the list of intermediaries

- Finantsinspeksioon enters the applicant in the list of intermediaries once the data and documentation submitted meet the requirements and show clearly that the insurance broker has sufficient means and capacity and that the interests of clients are sufficiently protected.
- The decision to enter the broker in the list or to refuse it is taken by Finantsinspeksioon within one month after all the necessary documentation and data have been received, and not later than three months after the application to be entered in the list of intermediaries has been received.
- Finantsinspeksioon enters the applicant into the list of intermediaries immediately after the decision has been taken and it has received a copy of the valid liability insurance contract or guarantee contract required by § 179 of the Insurance Activities Act.
- The name, personal ID code or date of birth if they have no ID code, and contact details of an applicant 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 businesses in the list of intermediaries.

Removal of insurance brokers from the list of intermediaries

Finantsinspeksioon removes insurance brokers from the list of insurance intermediaries if:

1. the insurance broker itself applies to be removed from the list of intermediaries;
2. an insurance broker who is a physical person dies or if an insurance broker that is a legal entity closes down.

Finantsinspeksioon may refuse to remove the insurance broker from the list of intermediaries under § 19(1)1 of the insurance activities act if it finds that such removal may damage the interests of clients.

Finantsinspeksioon may remove an insurance broker from the list of intermediaries if:

1. the insurance broker does not meet the requirements of the Insurance Activities Act or other legislation deriving from it;
2. a member of the management board of the insurance broker does not meet the requirements of the Insurance Activities Act or other legislation deriving from it;
3. the insurance broker 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 are not sufficiently protected against the risks from the brokerage activities.

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.