



Memorandum

1 October 2018

Unrestricted

Conditions required of EEA-insurance intermediaries in the public interest

An insurance intermediary registered in a member state of the European Economic Area (EEA country) other than Finland and operating in Finland on the basis of the right of establishment or the right of free provision of services must take account of the following legislation and other regulations required in the public interest.

Below are listed the Acts and regulations to be complied with when operating in Finland. The Acts can be found in Finnish and Swedish (and some in English) at: www.edilex.fi and www.finlex.fi. The laws must be obeyed with due consideration of their changes and any transitional provisions governing their entry into force.

For the purposes of these terms and conditions, an insurance intermediary refers to an insurance intermediary, an ancillary insurance intermediary and a reinsurance intermediary as defined in Article 2 (3), (4) and (5) of Directive (EU) 2016/97 of the European Parliament and of the Council on insurance distribution.

General

- Act on the Financial Supervisory Authority (878/2008)

Insurance legislation

- Act on Insurance Distribution (234/2018)

Interpretations of FIN-FSA on applying the Act on Insurance Distribution:

1. If, from the customer's viewpoint, the services provided by an insurance intermediary registered in an EEA country other than Finland substantially differ from those that an insurance agent or broker referred to in the Act on Insurance Distribution can provide, the insurance intermediary must clearly state this in its marketing and other operations. The customer must be able to gain a true picture of the insurance intermediary's role and services before making decisions or contracts vis-à-vis the insurance intermediary regarding the insurance intermediary's services.
2. An insurance agent or broker must not use the designation 'insurance intermediary' misleadingly in its operations, making it unclear to the customer whether the insurance intermediary is an insurance agent or an insurance broker. If the concept 'insurance intermediary' is used, the customer must be clearly and simultaneously informed of whether the said insurance intermediary operates as an insurance agent or an insurance broker. If the insurance intermediary is registered under another designation in its home member state, it must inform the customer of said designation.
3. In addition to the provisions on an insurance agent's or broker's marketing contained in the Act on Insurance Distribution, if an insurance agent or broker registered in an EEA country other than Finland can, under the legislation of its home member state, act in a manner not possible for an insurance agent or broker registered in Finland



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in accordance with the definition of, and marketing rules applied to, an insurance agent or broker, said insurance intermediary must give a true picture in its marketing of the services it provides. This also applies to an insurance intermediary that has been registered in its home member state under a designation other than 'insurance agent' or 'insurance broker'. In such a case, the insurance intermediary must specify the insurers whose products it exclusively distributes and whether the insurance intermediary provides information on the basis of a fair analysis as referred to in section 36, subsection 4 of the Act on Insurance Distribution. Insurance intermediaries must provide all information on their services necessary for the customer. They must not omit information, if said omission will give the customer a false or misleading picture of its services. For example, an insurance intermediary operating under the designation 'insurance broker' must clearly inform the customer if it can be tied to insurers in a manner not possible for an insurance broker registered in Finland.

- Insurance Contracts Act (543/1994) (agents)

Other legislation

- Consumer Protection Act (38/1978)
Further information on consumer protection is available at www.kkv.fi/en, which is a site for the Finnish Competition and Consumer Authority (KKV).
- Personal Data Act (523/1999)
- Act on tax on certain insurance premiums (664/1966) (tax on insurance premiums)
- Act on the fire protection fund (306/2003) (fire protection fee)

FIN-FSA regulations and guidelines

- Regulations and guidelines 10/2012: available in [Finnish](#) (Pitkäaikaissäätämissopimusten ja vakuutusten kulujen ja tuottojen ilmoittaminen), [Swedish](#) (Presenterande av kostnader och intäkter i avtal om långsiktigt sparande och i försäkringar) and [English](#) (Disclosure of expenses and returns of long-term savings agreements and insurance policies)
- Regulations and guidelines 15/2013 (marketing): available in [Finnish](#) (Finanssipalvelujen ja -tuotteiden markkinointi) and [Swedish](#) (Marknadsföring av finansiella tjänster och produkter)
- Regulations and guidelines 16/2013 (conduct of business): available in [Finnish](#) (Finanssipalvelujen tarjoamisessa noudatettavat menettelytavat) and [Swedish](#) (Uppföranderegler för tillhandahållande av finansiella tjänster)

Language of information given to insurance applicant and policyholder

If an insurance intermediary provides insurance distribution services in Finland to consumers or traders comparable (as the insurer's counterparty) to consumers in view



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of the type and scale of their business operations and the general circumstances, good insurance practice and good brokerage practice require that the agent and insurance broker provide the insurance terms and conditions and other information given to the applicant and policyholder about the insurance in the applicant's or policyholder's mother tongue if this is Finnish or Swedish. The insurance intermediary can only diverge from this with the express consent of the applicant or policyholder.

Legal remedies at the customer's disposal

The following legal remedies referred to in section 33, subsection 1, paragraph 9 of the Act on Insurance Distribution are at the disposal of the customer and other interested parties.

As a principal rule, the matter can be considered by a court within whose jurisdiction the defendant has his or her home and domicile or is running, or has run, a business. In a dispute between a consumer and a trader, the consumer can also institute legal action in the local court within whose jurisdiction the consumer has his or her domicile.

Outside the court system, disputes are handled by the Consumer Disputes Board (www.kuluttajariita.fi/en), which also issues recommendations in matters related to the services of an insurance intermediary. The Board does not handle cases on unit-linked insurance.