

Danish Insurance Association  
Report 2008:5

# International comparative analysis on consumer initiatives in non-life insurance



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## **1. Background**

For some years the Danish Insurance Association (DIA) has been working towards greater transparency and openness in the insurance industry. In the non-life sector the industry has launched a number of initiatives designed to support consumers and help them make informed decisions.

DIA have chosen to conduct a comparative survey with a number of those countries with whom we normally compare ourselves. These are Sweden, Norway, UK, Netherlands and Belgium. The aim has been to learn from other countries and to determine how Denmark measures up internationally with regard to offering consumers relevant information and other assistance in meeting their needs as consumers of insurance products.

## 2. Conclusions

The following pages summarise the main differences and similarities between the countries identified by the analysis results (see Section 4).

### 2.1. The industry's engagement in consumer initiatives – and the related political background

The countries featured in the analysis can be divided into two very different groups in terms of the national political debate on consumer initiatives and the industry's work in this connection:

#### Netherlands, UK, Norway and Denmark

- In the Netherlands, UK, Norway and Denmark there is a political and media debate on consumer initiatives in non-life insurance – and considerable pressure on the insurance industry to create, in particular, greater transparency.
- In all four countries the industry is working proactively on a series of initiatives, especially transparency initiatives.

#### Belgium and Sweden

- The insurance industries in Sweden and Belgium have experienced no great external pressure to implement transparency or other general consumer initiatives in non-life insurance. There can, however, be various more specific consumer initiatives of importance in each country.
- The insurance industries in Belgium and Sweden are not working proactively with transparency as a particularly dedicated action area. But in Belgium the industry is planning an information campaign after negative opinion poll results were reported among certain groups of consumers (particularly first-time users). In Sweden the industry is co-operating closely with an independent consumer association on consumer initiatives.
- It is important to stress that the conclusions relate only to non-life insurance. For example, in Sweden there is much stronger political pressure for greater transparency in life insurance – and a greater effort and awareness on the part of the industry.

### 2.2. Basic features of the markets

The countries have been compared in terms of certain basic features in the markets which may possibly give rise to various degrees of need for consumer initiatives – and which may thereby explain the existence or absence of certain tools and initiatives.

It is notable that none of the analysed characteristics appear able to explain the difference in the political debate in the six countries and the degree to which the insurance industry in the six markets works – in particular – on transparency initiatives (see Section 2.1.). Moreover, there would appear to be no clear link between the fact that insurance brokers differ significantly in importance in the analysed countries and whether the countries are engaging in a debate on transparency.

### Insurance brokers

- In Belgium, the Netherlands and (to a slightly lesser extent) the UK insurance brokers play an important – if diminishing – role as a distribution channel for consumer insurance. In the Nordic countries on the other hand brokers play virtually no role at all.
- In the UK and the Netherlands brokers' independence or otherwise of specific insurers is keenly debated. That is not the case to nearly the same extent in Belgium.

### Concentration

- There is not a very great deal of difference with regard to concentration in the markets examined in this analysis.

### Standard products/minimum conditions

- Insurances with standard or minimum conditions exist only to a very limited extent in the analysed countries.

### Setting insurance rates

- There is a general trend in the six countries against setting rates based on more individual risk parameters.
- Still, the prevalence of highly individual rates appears to be higher in the UK, Sweden and Norway than in the other countries.

### Pricing information on insurers' websites

- Prices are normally given on the websites of individual insurers in all countries.
- Consumers can normally order a binding quote but cannot usually purchase the insurance online at insurers' webpages. In Sweden and, especially, the Netherlands however insurance may be purchased online at some insurers' websites.

### Taxes on insurance

In almost all of the countries, taxes levied on insurance take the form of a percentage of the premium which is charged continually (annually). There are however some exceptions to this:

- In Denmark the primary levy is a one-off charge, collected when the contract is signed, and the amount of the levy depends not on the premium but on the sum insured.
- In Norway there are no levies of any kind on insurances.
- In Sweden there are only levies on motor third party insurance (an annually charged percentage of the premium).

### Automatic regulation of insurance premiums

- In Belgium, Netherlands, and Denmark there is automatic indexation of premiums and cover sums for household insurances. There is no such automatic indexation in the UK, Sweden and Norway (in Norway there is automatic indexation of insurance sums).

### Duration of insurance contracts

- In all countries, insurance contracts normally run for one year. Historically, in the Netherlands it was 3-5 years (except for motor insurance) but it is becoming more and more common in the Netherlands, too, for insurances to have a one-year duration.

### Possibility of terminating the insurance during its term

- In the UK, Norway and Denmark the consumer can terminate the contract before the agreed termination date.
- In Norway there is no charge while in the UK a fee is usually payable for early termination of an insurance contract. In Denmark, some insurers, but far from all, charge a fee for early termination.

## 2.3. The most important consumer tools and initiatives launched by the industry or others

### Comparison websites

Websites on which consumers can compare the insurance products of different providers are to be found in all the analysed countries. But there are marked differences in who has set up the sites, what they contain – and especially how much they are used, i.e. what role the websites play as distribution channels for consumer insurances:

- In the UK, the Netherlands and Belgium a number of comparison websites have been set up by commercial providers (other parties than the insurance companies). In the UK and the Netherlands in particular these websites play an important – and growing – role as a distribution channel for consumer insurances.
- In the Nordic countries the industry and/or authorities have set up their own comparison sites for consumer insurances:
  - In Denmark the insurance industry has set up a comparison website.
  - In Norway and Sweden the authorities/consumer organisations have set up comparison websites in collaboration with the industry.

In Denmark and Norway these websites have received relatively few inquiries until now (in Norway in particular the website is rather new). In Sweden there are more users.

- The insurance industries in all the participating countries highlight the fact that comparison websites involve a risk that consumers are inclined to focus purely on what insurance costs, ignoring what it covers.

- Website content:
  - Generally speaking, commercial websites in the different countries often offer information only **on a small section of the market** and focus mainly on the insurance **price**.
  - Websites set up by the industry or authorities/consumer organisations in Norway, Sweden and Denmark include **almost all insurers on the market** and (also) focus on insurance **cover**:
    - Norway: Both prices (from 2009) and cover
    - Sweden: Only cover
    - Denmark: Both prices and cover.

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### General consumer information on insurance

- In most countries the insurance organisations' websites provide a wide range of consumer information or the insurance organisations plan to establish separate consumer websites in the near future. In Sweden the insurance organisation co-operates closely with a consumer association whose website provides a wide range of consumer information.
- In almost all countries the information at the websites is fairly general and is not specially tailored to the individual consumer. In Denmark there are examples of the industry offering individualised/personalised consumer information in the form of web-based "needs calculators" and a call centre.
- The industry in both the Netherlands and Belgium is considering setting up call centres and/or e-mail services. In Sweden the industry co-operates closely with a consumer association which provides its own telephone service.

### Financial education/literacy

- This is not an area that claims much attention in the six countries. In all countries the industry's basic viewpoint is that it would be desirable to raise the knowledge and interest of the general public with regard to insurance – and that it would be positive if a greater effort could be made in the direction of financial education. But in most countries neither the insurance industry nor the authorities make much of a contribution towards financial education/literacy.
- In Belgium, UK, Denmark and – in particular – the Netherlands the industry has, however, made an effort in the direction of financial education. In the Netherlands the industry provides some financial support and collaborates with the government in a public-private partnership (PPP) promoting financial education. In Denmark the industry participates in a public-private partnership set up by government for the purpose of collecting consumer information and carrying out and publishing tests and analyses on consumer issues.
- In Sweden the authorities have completed an initiative on financial education.

### Consumer surveys

- In all countries, industry organisations and many insurance companies conduct surveys, analyses, etc., to examine consumer attitudes to the insurance

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industry and related subjects. The set-up for these surveys can be more or less of a fixed/permanent nature.

- In those countries in which industry organisations try to gauge concepts such as the industry's image (including Belgium, Netherlands, Norway and Denmark) the general conclusion seems to be that consumers are largely satisfied with their own insurance company, particularly if they have had one or more claims – while the industry as a whole has a fairly negative reputation.

### **Complaints systems when claims have been refused**

- In all countries insurers are required to have an internal ombudsman.
- In all countries there are independent complaints bodies.
- In general, the decisions of complaints bodies are only advisory but in most cases insurers respect them. Only in the Netherlands are decisions binding for the insurers. Only in the UK are the decisions invariably followed by the insurers. In the UK – the only country where this is so – it is not possible subsequently to bring a case before the courts.
- In most countries it is free of charge for the consumer to raise a complaint. Denmark is the only country where a small charge is imposed for bringing a complaint before the primary complaints body. The Netherlands operates a two-tier system: the first step is to bring a complaint before a mediator (ombudsman) who tries to bring the parties to a settlement but does not issue a ruling; only if this is unsuccessful do the parties move to a complaints body which can issue a decision. A small charge is made for bringing a complaint before the latter body.

In both the Netherlands and Denmark the consumer has the charge refunded if the claim is successful.

- In Norway the insurer is obliged to pay "reasonable costs" towards bringing a case to court if it is not willing to accept the ruling of the complaints body. In the other countries the consumer must pay any legal costs although if the consumer has a household insurance it will typically cover the costs.
- In both Belgium and the Netherlands "Codes of Conduct" are used. These codes are guidelines that insurance companies can use when they handle complaints.

### **Public statistics on complaints**

- In all countries it is possible on the websites of complaints bodies to find statistics showing the number of complaints and rulings broken down into types of insurance.
- In Norway and Denmark statistics are broken down into individual insurance companies.

### **Guarantee schemes**

- The UK, Norway and Denmark have guarantee schemes for non-life insurance. The other countries do not. There is no national demand for non-life guarantee schemes in these countries.
- There are differences in whether the schemes are funded.
- In Norway and Denmark the guarantee scheme also covers the amount of premium paid. In Denmark there is an excess of EUR 134.



### 3. Purpose and method

#### 3.1. Background

At both EU level and nationally, many countries operate an extensive system of rules and regulations designed to help and protect consumers. This is particularly true of the insurance sector, including non-life insurance.

At the same time, the various national insurance industries have introduced measures which in various ways support and assist users of insurance services.

The reasons for conducting a comparative analysis of consumer initiatives in non-life insurance in Belgium, Netherlands, UK, Norway, Sweden and Denmark are:

- that the Danish Insurance Association is not aware of any recent comparative analysis of consumer initiatives.
- that such an analysis will enable insurers in the countries concerned to set their own consumer-initiative efforts in perspective, and
- that a comparative analysis makes it possible for insurers in the countries concerned to draw inspiration and learn from experience across national boundaries.

Coinciding with the non-life analysis, the Danish Insurance Association has conducted an analysis of financial literacy and transparency in the life-insurance market. It is the general view that it will be difficult to draw direct parallels between the two areas.

#### 3.2. Purpose

The primary purpose of the analysis is to compare consumer initiatives in the Danish non-life market with initiatives in Belgium, Netherlands, UK, Norway and Sweden: **Which tools, measures, etc., are available in the respective countries for helping consumers achieving their needs as users of non-life insurance services?**

A secondary aim is to try to **identify significant underlying factors which may be able to explain the existence – or absence – of particular tools and initiatives.** It may be such factors as a demand in the political system of the country concerned for particular initiatives, or it may be basic structural features of the national market which generate varying degrees of need for such initiatives.

##### 3.2.1. Industry focus

The analysis examines especially: Which initiatives the non-life **industry** in a particular country has introduced, and which initiatives it may be planning.

The industry focus arises, first of all, from the fact – as already indicated – that the analysis is intended to make it possible for the insurance industry in an analysis country to compare itself to sister industries in other countries – and to be inspired by and learn from industry initiatives in other countries. Secondly,

the analysis would have required massively greater resources if its purpose had been to conduct a systematic comparison of public regulations.

Industry efforts in the direction of consumer information and protection can, however, be assessed only when we know which other tools, measures, frameworks, etc., initiated by players outside the insurance sector, are available in the market – especially public regulations in the field. Consequently the analysis looks at public regulation but not as an area of primary focus, and the analysis therefore does not contain a full comparison of public consumer-protection rules.

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### **3.3. Other limitations/level of ambition**

#### **3.3.1. No attempt to identify “best practice”**

The analysis attempts only to identify differences and similarities between the countries and, where possible, to point to certain key political and structural factors which may help to explain those differences and similarities. It is *not* its purpose to highlight strengths and weaknesses in individual markets or to identify “best practice”, “best in class” or any other grading.

#### **3.3.2. Qualitative approach: Focus on the important, not on everything**

The analysis aims to identify the **most important** tools and initiatives in the participating countries. To this end, as will be described below, it adopts a qualitative interview method.

#### **3.3.3. Snapshot**

The analysis focuses on tools and initiatives introduced in recent years and in place – or planned – today. In other words, the analysis results are in the nature of a current snapshot view. They are not an attempt to describe a long process of development back through time.

### **3.4. Method**

#### **3.4.1. Primary data collection**

Face-to-face group interviews were conducted with experts from insurance organisations representing the participating countries. The interviews took place between June and September 2008.

By basing the analysis on interviews with representatives of the insurance organisations, you achieve the sector perspective that is the main perspective of the analysis (cf. 3. 2.1). The organisations were moreover requested to delegate representatives who had an in-depth knowledge of consumer issues in non-life insurance.

The interviews were conducted in the form of loosely structured conversations which followed an “interview guide” which had been sent to the interviewees in advance.

### 3.4.2. Interview guide

During the interviews one line of basic questioning was:

- Which tools and initiatives the sector – or others, if applicable – had initiated and/or launched in the market concerned?
- Where particular tools and initiatives did not exist: Is that because it is thought there is no **need** for them – and why?

With a view to identifying all tools and initiatives in the market in question, we attempted to define key **situations** in which the consumer can usually be said to have a need for information and protection. During the interviews specific questions related to those situations.

The selected situations and needs associated with those situations are described in the table below.

SITUATION	NEED
<b>Purchasing insurance</b>	<ul style="list-style-type: none"><li>• A genuine means of assessing his/her insurance needs – avoiding under- and overinsurance.</li><li>• A genuine means of comparing the products of different providers with regard to price, cover/ conditions, any other parameters (service, complaints statistic, etc.)</li></ul>
<b>Claims</b>	<ul style="list-style-type: none"><li>• A genuine means of gaining an insight into how the insurer bases a decision on a reported claim.</li><li>• A genuine means of appealing the decision of an insurer to an impartial body whose rulings are respected by insurers.</li></ul>
<b>Dissatisfaction with an insurance relationship</b>	<ul style="list-style-type: none"><li>• A genuine means of escaping from a contract within a reasonable time</li></ul>
<b>The insurer's bankruptcy</b>	<ul style="list-style-type: none"><li>• A genuine means of obtaining cover in the event of a claim – and, if applicable, the repayment of premium</li></ul>
<b>On an ongoing basis</b>	<ul style="list-style-type: none"><li>• A genuine means of understanding one's insurance (cover, premium, etc.)</li></ul>

### 3.4.3. Specific tools and initiatives

Interviewees were directly asked whether specific tools, measures, etc., were available in the country concerned:

- Comparison websites
- A means of obtaining prices and receiving an actual insurance quote from the individual insurer's website
- General tool: Websites with information on insurance needs: Personalised/individualised information vs. general/non-targeted information
- Is there a requirement on the part of an insurer to explain its refusal to entertain a claim, with the explanation having a particular content and form?
- Complaints systems, including complaints statistics
- Guarantee schemes
- Financial education: Enables the consumer to understand his own needs and safeguard his own interests in the above situations
- General tool: Are there advisers/consultants whom people can contact with insurance-related questions?
- General tool: Have the industry, authorities or consumer organisations set up tools (e.g. panels, questionnaires, focus groups) with a view to identifying consumers' wishes, attitudes, needs and interests?

The above tools and initiatives can help meet the consumer's need for information and protection in one or more of the selected situations, see table above.

### 3.4.4. Structural features in individual markets

The existence or absence of particular tools and initiatives must, of course, be seen – among other things – in the light of fundamental structural features in individual markets which affect the consumer's need for information and protection. With a view to identifying such features, the following points were raised during the interviews:

- Market structure/concentration – these affect industry transparency for the consumer, e.g. in a purchase situation
- The use/frequency of insurance brokers and other intermediaries – can affect the need for information/comparison, particularly in a purchase situation, see above
- The degree of differentiation/standardisation of products – says something about comparability and requirements for the tools that will make comparison possible – particularly in a purchase situation, see above
- Setting rates: are rates set on the basis of very individual risk assessments or do they tend to be standard/list prices – again, says something about comparability/standards for comparison tools
- Insurers' access to automatic inflation regulation (indexation) of premiums – can possibly affect the consumer's need to escape from an insurance contract

- Taxes and charges on insurance premiums – can possibly affect the consumer's prospect and need for escaping from an insurance contract
- Mandatory insurances and contractual obligation.

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#### **3.4.5. Political context**

During interviews, questions were also asked about the political environment with which the insurance sector in its respective countries had to contend and against which the sector's approach to consumer initiatives must be viewed:

- What are the hottest issues/themes in relation to consumer information and protection? Any internal issues in the industry.
- Who are the key players (e.g. authorities and consumer organisations), and how are the insurance industry's relations with these?

#### **3.4.6. Method: Choice of countries**

The analysis covers Belgium, Netherlands, UK, Norway, Sweden and Denmark.

The main criterion in selecting participating countries was that they should be countries to whom we in Denmark "normally compare ourselves". Furthermore, it has been essential to obtain a broad picture in the countries covered by the analysis in order to clarify key differences between insurance markets. For example, it has been a matter of importance to include both countries in which insurance brokers play a crucial role (e.g. the Netherlands and Belgium) and countries where they do not (the Nordic countries).

#### **3.4.7. Quality control/secondary data collection**

We have made an effort to verify the results achieved in our interviews by the following means:

- The findings for each country were circulated to the relevant interviewees for reading, and any comments received in this connection have been incorporated in the report.
- The draft report was debated at a mini conference on September 26, 2008, attended by all participating organisations except the British Association of Insurers. The report was amended on the basis of discussions at the conference.

## 4. Analysis findings

### 4.1. The insurance industry's engagement in consumer initiatives in the Non-Life market – and the political background for this

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#### BELGIUM

##### The industry's approach

The industry's position in relation to consumer information and protection.

Consumer information and protection issues are dealt with through both regulation and selfregulation. The Belgian Insurance Association has not yet engaged in organised interaction with individual customers. However the Belgian Insurance Association is preparing a general information campaign on insurance which will probably be aimed at people less familiar with insurance, who are less likely to have much insurance experience.

##### Political background/drivers

External political environment: Important issues and players, and the attitudes of the players towards consumer information and protection in the non-life insurance market.

There is no general discussion of a need for more transparency in the Belgian market. This should be seen in the light of the strong role of retail insurance brokers in Belgium. Therefore, personal advice plays a major role in meeting the individual consumer's needs.

However, there are a number of more specific issues on consumer information and protection (see below) which are highly debated and on which the industry and the Belgian consumer association (Test-Aankoop) have diverging views.

##### Specific issues/themes

Important specific issues/themes in relation to consumer information and protection – from both the industry's and other parties' point of view.

- Different insurance prices for different groups – what the consumer association considers to be 'price discrimination', especially in motor insurance (age and gender)
- Differentiation of insurance conditions – the consumer association finds that differentiation makes comparison of products and companies difficult (transparency issue).

#### THE NETHERLANDS

##### The industry's approach

The industry's position in relation to consumer information and protection.

The Dutch Association of Insurers (VVN) has relatively recently begun working actively on initiatives designed to strengthen transparency in the non-life insurance market. A number of initiatives are being prepared and considered.

The industry does not unanimously agree on how proactively the industry should work for transparency.

Financial education is an area on which the Dutch insurance industry – in co-operation with government and a number of other players – is ahead of other countries.

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**Political background/drivers**

External political environment: Important issues and players, and the attitudes of the players towards consumer information and protection in the non-life insurance market.

The industry experiences a strong political pressure from outside. An analysis carried out by the Dutch Financial Services Authority in 2006 pointed to a low degree of transparency, etc., in the market for unit link products (Life). The analysis has sparked a political demand for initiatives for improving consumer information, etc. – also within the Non-Life market.

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**Specific issues/themes**

Important specific issues/themes in relation to consumer information and protection – from both the industry's and other parties' point of view.

- Transparency, consumer protection, etc., in general.
- DAI finds that the increasing prevalence of comparison websites entails a risk of excessive focus on insurance prices.
- The (in)dependence of insurance brokers – DAI has launched initiatives ('the customer agreed to remuneration model')
- Risk of double coverage for travel insurance and health insurance (in the Netherlands practically everyone has private health insurance cover).

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**UNITED KINGDOM**

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**The industry's approach**

The industry's position in relation to consumer information and protection.

Consumer information and protection in non-life insurance are dedicated focus areas on which the British insurance industry works proactively. The ABI has produced a number of guides to aid consumer understanding of, and access to, general insurance products.

The ABI is currently carrying out an analysis of how the increasing prevalence of various comparison websites affect the insurance market, including consumer information and protection.

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**Political background/drivers**

External political environment: Important issues and players, and the attitudes of the players towards consumer information and protection in the non-life insurance market.

Consumer information and protection in non-life insurance takes up much space in the political debate in the UK. The industry is working with the government and consumer associations to make general efforts to strengthen transparency in the non-life insurance market.

The ABI has undertaken some survey work to examine whether price comparison websites live up to the fundamental principle stating that consumer information must be clear, fair and not misleading.

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**Specific issues/themes**

Important specific issues/themes in relation to consumer information and protection – from both the industry's and other parties' point of view.

- Consequences for, among other things, consumer protection of the increasing prevalence of comparison websites.
- 'Age discrimination' in travel insurance. The government intends to introduce legislation to prohibit unjustified age discrimination and the ABI is working with the government in an effort to ensure that the legislation does not prohibit justified differentiation on the basis of age given that this provides economic benefits to all consumers.
- A high number of appeals board cases on misselling of PPI insurances.
- The insurance industry has established a financial inclusion task force which is considering how to improve access to insurance for specific groups, e.g. those on low incomes and those with previous criminal convictions.

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**NORWAY**

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**The industry's approach**

The industry's position in relation to consumer information and protection.

The industry is working on a number of transparency and other consumer tools and initiatives. On some of these the government and the Norwegian Consumer Council (an independent consumer association) have the initiative with the industry merely co-operating; on others, the industry has the initiative – but still in co-operation with the Consumer Council.

The pace of the work carried out by the Norwegian Financial Services Association (NFSA) on consumer information and transparency in the insurance sector has been curbed on some issues due to internal disagreement within the NFSA, where the banking industry has been less progressive than the insurance industry (the NFSA is a joint association for the banking and insurance industries).

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**Political background/drivers**

External political environment: Important issues and players, and the attitudes of the players towards consumer information and protection in the non-life insurance market.

As in Denmark, transparency in the insurance markets is an important issue in the political debate – and as in Denmark, consumers are represented by a single powerful player (the Norwegian Consumer Council).

NFSA has also carried out a large reputation survey (in co-operation with the Consumer Council) which shows that the industry's reputation is rather poor.

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**Specific issues/themes**

Important specific issues/themes in relation to consumer information and protection – from both the industry's and other parties' point of view.

Consumer information and protection, transparency, etc., in general. Focus on the improvement of web-based comparison of both price and coverage in various companies.



## SWEDEN

### The industry's approach

The industry's position in relation to consumer information and protection.

The industry's work on transparency and other consumer initiatives is for the moment primarily focused on life insurance.

### Political background/drivers

External political environment: Important issues and players, and the attitudes of the players towards consumer information and protection in the non-life insurance market.

Transparency and other consumer issues in non-life insurance are not significant issues in the political debate in Sweden. The Swedish Consumers Insurance Bureau (SCIB – an independent insurance association) and the industry agree that no significant problems exist in the non-life insurance market. For example, there seems to be a consensus that comparison websites entail a risk of poor consumer information because consumers will solely focus on price rather than coverage.

SCIB provides the consumer with a number of tools and other initiatives which are not considered necessary.

### Specific issues/themes

Important specific issues/themes in relation to consumer information and protection – from both the industry's and other parties' point of view.

No remarks.

## DENMARK

### The industry's approach

The industry's position in relation to consumer information and protection.

Working towards openness and transparency in the insurance markets is an important objective of the Danish Insurance Association (DIA). On its own initiative, DIA has launched a number of measures in recent years, some in co-operation with the Danish Consumer Council (an independent consumer association).

How far to go has been a point of internal discussion within the industry. However, in most cases the industry has decided to provide the tools for transparency rather than to leave the initiative to others.

### Political background/drivers

External political environment: Important issues and players, and the attitudes of the players towards consumer information and protection in the non-life insurance market.

Consumer information and protection, and especially transparency, in the insurance markets are important issues in the political debate in Denmark. The insurance industry often comes under fire in the media, to which the Danish Consumer Council usually has easy access.

Surveys show that consumers regard transparency in insurance – including non-life insurance – to be very low, which is damaging to the reputation of the industry.

Lately, the insurance industry has received credit in the political system for the initiatives the industry has launched in recent years.

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**Specific issues/themes**

Important specific issues/themes in relation to consumer information and protection – from both the industry's and other parties' point of view.

- Consumer information and protection, transparency, etc., in general.
- Travel insurance because it is a difficult area to scrutinise – especially because of recent changes in government coverage. DIA has taken initiatives.
- Transfer of ownership insurance, as it has turned out that the coverage of this insurance type has failed to live up to customer expectations – DIA is co-operating with government to find a solution.

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## 4.2. Basic conditions affecting consumers' need for information and other types of protection

### 4.2.1. Market structure/concentration

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
<b>INSURANCE GROUPS</b>						
Market share of <b>the largest</b> non-life insurance group (based on gross premiums)	16.6% (2006)	25.5 % (2006)	Figures not available.	Figures not available.	29.7% (2007)	21.0% (2006)
Total market share of the <b>five</b> largest non-life insurance groups (based on gross premiums)	61.5% (2006)	65.0% (2006)	Figures not available.	Figures not available.	84.6% (2007)	68.7% (2006)
Total market share of the <b>10</b> largest non-life insurance groups (based on gross premiums)	80.1% (2006)	Approx. 90% (2006)	Figures not available.	Figures not available.	90.5% (2007)	85.9% (2006)
<b>INSURANCE COMPANIES</b>						
Market share of <b>the largest</b> company (based on gross premiums)	16.1% (2006)	8.1% (2006)	17,8% (2007)	31.4% (2007)	19.8% (2007)	19.8% (2006)
Total market share of the <b>five</b> largest companies (based on gross premiums)	51.0% (2006)	34.1% (2006)	55.3% (2007)	92.9% (2007)	60.9% (2007)	58.9% (2006)
Total market share of the <b>10</b> largest companies (based on gross premiums)	68.1% (2006)	48.6% (2006)	71.4% (2007)	98.0% (2007)	71.8% (2007)	75.6% (2006)

#### 4.2.2. Degree of differentiation/standardisation of insurance conditions

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Do all or some companies offer standard products (identical insurance conditions) or products with minimum conditions?	Minimum conditions on household and household liability insurance. <sup>1</sup>  (Legal expenses coverage)	No. <sup>2</sup>  (Legal expenses coverage)	No.  (Legal expenses coverage)	No. <sup>3</sup>  (Legal expenses coverage)	No.  (Legal expenses coverage)	No. <sup>4</sup>  (Legal expenses coverage)
Are there companies offering consumer insurances which are tailored to meet the needs of the individual customer (not just the opportunity to add or subtract standard modules)?	No.	No.	Some companies do.  There is a general trend towards more individualised cover.	No.	No.	No.

1 Required by law.

2 Insurers have fairly similar general liability conditions for families but it is not the result of agreed standard or minimum conditions.

3 Some thought has been given to defining minimum conditions but no specific results have been reached.

4 Most companies offer a contents insurance product with minimum conditions, defined by the industry in co-operation with the Danish Consumer Council but most companies offer other contents insurance products/terms as well.

#### 4.2.3. Distribution channels

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
To what extent are consumer insurances bought/sold through insurance brokers	More than 50% of all transactions.  Gradually declining trend.	Approx. 70% of all transactions.  Declining trend.	Approx. one third of all transactions.  Declining trend.	Practically never.	Practically never.	Practically never.
Are the brokers independent of insurers?	Yes.	Sometimes – but by no means always. <sup>5</sup>	Sometimes.	Yes. <sup>6</sup>	Yes.	Yes.
To what extent are consumer insurances bought/sold through other intermediaries (third parties), e.g. banks?	Mutuals without intermediaries account for about 15%, "true" direct writers less than 5%.	Approx. 15% of all transactions.  Increasing role of comparison websites ('digital intermediary/broker').	To some extent.  Increasing role of comparison websites ('digital intermediary/broker').	To some extent.	To a lesser extent	To a lesser extent
Are these other intermediaries independent of insurance companies?	No.	Sometimes – but by no means always.  Insurers usually pay commission to comparison websites.	In the Retail Distribution Review currently underway, this issue is being considered.  Insurers usually pay commission to comparison websites.	No.	No.	No.

<sup>5</sup> Greater use is expected to be made in the future of the customer-agreed remuneration model. The model implies that the customer must be informed, and must give his written consent, on the way distribution costs are paid, among other things, whether the broker is paid a commission by the insurer.

<sup>6</sup> Commission from insurance companies to brokers is forbidden by law.

#### 4.2.4. Obligation to offer insurance/compulsory insurance in the private insurance sector

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Are there any areas where the insurer has an obligation to offer insurance (e.g. cannot reject a customer)?	No. <sup>7</sup>	Health insurance.	No.	All consumer insurance. <sup>8</sup>	All consumer insurance. <sup>9</sup>	<ul style="list-style-type: none"> <li>• Motor liability</li> <li>• Liability for damage caused by dogs and horses.</li> <li>• Other areas: Refusal to offer insurance must be "reasoned".</li> </ul>
Are there any areas in which insurance is compulsory for the customer?	Motor liability.	<ul style="list-style-type: none"> <li>• Motor liability</li> <li>• Health insurance</li> <li>• TPL for hunters</li> </ul>	<ul style="list-style-type: none"> <li>• Third party motor liability.</li> <li>• Riding stables</li> <li>• Dangerous dogs</li> </ul>	Motor liability.	Motor liability.	<ul style="list-style-type: none"> <li>• Motor liability</li> <li>• Liability for damage caused by dogs and horses.</li> </ul>

<sup>7</sup> In compulsory motor insurance and natural catastrophes insurance, if a customer cannot source an insurance quote, he may go to a 'bureau', which will divide the burden among all companies. In compulsory motor insurance, drivers who cannot get a quote or only at prohibitive rates have a right to insurance at a rate set by insurance-industry and consumer representatives. As for natural catastrophes coverage, the bureau bears the risk for objects that cannot be accepted below a threshold rate. Difference: In motor insurance, TPL handling is by a designated insurer; in natural catastrophes insurance, by the insurer chosen by the customer.

<sup>8</sup> Until recently only motor liability. New government rules state that customers cannot be refused without "reasoned cause". This means that the company must offer insurance with a premium which is "risk based" and not "prohibitive".

<sup>9</sup> However, the company may refuse to insure, for example, a certain car model or a certain group of people, as long as the refusal is consistent and cannot be seen as directed towards the individual customer.

#### 4.2.5. Pricing of insurance

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
To what extent is insurance companies' pricing based on individual risk assessment (rather than standard/list prices)?	Medium extent <sup>10</sup> .  Trend towards more individual risk assessment.	Medium extent.  Trend towards more individual risk assessment.	Most insurance types: Large extent <sup>11</sup> .	Large extent.	Large extent.	Medium extent. <sup>12</sup>  Trend towards more individual risk assessment.
Are there areas where premiums are automatically adjusted for inflation (indexation)?	Yes, on household insurance (specific index).	Yes, on household insurance (e.g. furniture, buildings).	No.	No, not premiums, only insurance sums (on household insurance).	No.	Yes, on household insurance.

<sup>10</sup> Varies between companies, but risk assessment based on a very high degree of individualisation is not common.

<sup>11</sup> There are some exceptions, including travel insurance, which is 'sold in bands' (based on age, etc.).

<sup>12</sup> Varies between companies but risk assessment based on a very high degree of individualisation is not practised by insurers in Denmark.

#### 4.2.6. Taxes and fees on insurance products

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Are any taxes/fees charged upon the formation of the contract, i.e. a one-time charge?	No.	No.	No.	No.	No.	Yes. <sup>13</sup>
Are any taxes/fees charged on a continuing basis, e.g. annually?	Yes. <sup>14</sup>	Yes. <sup>15</sup>	Yes. <sup>16</sup>	No.	Yes. <sup>17</sup>	Yes. <sup>18</sup>
Are other fees added to the insurance premium?	Yes. <sup>19</sup>	No. <sup>20</sup>	No.	No.	No.	Yes. <sup>21</sup>

<sup>13</sup> 14 per mille of the insurance sum.

<sup>14</sup> Annual insurance premium tax. The insurance premium tax and social security contributions on insurance (see below) total approx. 15-30% of the premium depending on insurance type.

<sup>15</sup> 7.5% annual insurance premium tax.

<sup>16</sup> 5% annual insurance premium tax.

<sup>17</sup> Motor third party liability tax: 32% annual insurance premium tax.

<sup>18</sup> In the case of moped insurance a charge of DKK 230 p.a. is paid on a continuing basis.

<sup>19</sup> Several insurances are subject to social security contributions. The insurance premium tax (see above) and social security contributions total approx. 15-30% of the premium depending on insurance type.

<sup>20</sup> Some insurers charge policy costs (administration costs for producing the policy).

<sup>21</sup> All consumer non-life insurance policies: DKK 10 p.a. (contribution to the guarantee fund of non-life insurance). All fire insurance policies: DKK 20 p.a. (contribution to the stormflood damage fund).



#### 4.2.7. Consumer options for cancelling the insurance

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Common duration of contracts (not short term insurances, such as short term motor insurance, travel insurance, etc.)	1 year.	Formerly the norm was between three and five years. Now increasingly common with one year.  But generally, motor insurance has always been one year.	1 year.	1 year.	1 year.	1 year.
Can the consumer cancel the contract within the term of the contract?	No.	No. <sup>22</sup>	Yes.	Yes.	No.	Yes.
Period of notice?	Not relevant.	Not relevant.	Varies between insurers.	1 month.	Not relevant.	1 month.
Fees?	Not relevant.	Not relevant.	Varies between insurers. <sup>23</sup>	No.	Not relevant.	Yes. <sup>24</sup>

<sup>22</sup> There are discussions in the Netherlands at present on whether there should be an option for the consumer to terminate the contract within the term of the contract but no specific initiatives have been planned. Furthermore, a few insurers have recently introduced motor insurance products where the customer may cancel the contract within one month's notice.

<sup>23</sup> Under FSA rules, insurers are not allowed to charge a punitive fee for cancelling the contract but they are allowed to charge a fee to cover administrative costs. The level of this fee differs between insurers.

<sup>24</sup> EUR 7. However, if the consumer has had the insurance for under 1 year, the insurer may charge an additional fee.

### 4.3. Tools and initiatives – The purchase situation

#### 4.3.1. Tools and initiatives which enable the consumer to compare the products of various suppliers in terms of price, coverage and other parameters

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Has the industry association set up comparison websites?	No.	No. <sup>25</sup>	No.	No. <sup>26</sup>	No. <sup>27</sup>	Yes. <sup>28</sup>
Have other parties?	No. <sup>29</sup>	Yes: <ul style="list-style-type: none"> <li>Increasing prevalence of comparison websites set up by commercial suppliers. <sup>30</sup></li> <li>Consumentenbond (consumer association) performs occasional consumer tests of insurances. <sup>31</sup></li> </ul>	Yes – increased prevalence of comparison websites set up by commercial suppliers. <sup>32</sup>	Yes <sup>33</sup> – the government and the Norwegian Consumer Council in co-operation.	Yes: <sup>34</sup> <ul style="list-style-type: none"> <li>The Swedish Consumers Insurance Bureau (SCIB)</li> <li>Commercial supplier (Pricerunner.se)</li> </ul>	No.

25 The Dutch Association of Insurers has laid down a set of standards for consumer information (quality label) which all companies must conform to on their homepages as of January 1, 2009. Companies must provide information, for example, about insurance conditions (coverage), the company's costs, and other provisions they pay from the premium (prevention, anti-fraud actions, Green Card Bureau, Motor Guarantee Fund).

26 The industry co-operates with the government and the Norwegian Consumer Council on the government-financed comparison website, see below.

27 The industry co-operates with the Swedish Consumers Insurance Bureau on the comparison facility on the Bureau's website, see below.

28 [www.forsikringsguiden.dk](http://www.forsikringsguiden.dk)

29 No comprehensive independent site. Some brokers or consumer associations may have developed tools.

30 [www.independer.nl](http://www.independer.nl), [www.verzekeringssite.nl](http://www.verzekeringssite.nl), [www.geencentteveel.nl](http://www.geencentteveel.nl).

31 Paying members of Consumentenbond may see the test results on the association's website [www.consumentenbond.nl](http://www.consumentenbond.nl).

32 The most commonly used are: [moneysupermarket.com](http://moneysupermarket.com), [confused.com](http://confused.com), [gocompare.com](http://gocompare.com) and [comparethemarket.com](http://comparethemarket.com).

33 [www.finansportalen.no](http://www.finansportalen.no). In addition, the Norwegian Financial Services Association is preparing an initiative aiming at making insurers' financial information and figures more understandable for consumers.

34 [www.konsumenternasforsakringsbyra.se](http://www.konsumenternasforsakringsbyra.se) and [www.pricerunner.se](http://www.pricerunner.se)

4.3.1. Tools and initiatives which enable the consumer to compare the products of various suppliers in terms of price, coverage and other parameters – CONTINUED

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Which types of insurance are included on comparison website(s)?	Not relevant.	<ul style="list-style-type: none"> <li>• Comparison websites: Motor, contents, house, travel, health, legal expenses, and mortgage.</li> <li>• Consumentenbond's tests: Type of insurance varies from test to test.</li> </ul>	It varies between websites.	Motor, contents, house, and travel.	<ul style="list-style-type: none"> <li>• SCIB: All consumer insurance.</li> <li>• Pricerunner: motor, contents, house, second home, and boat.</li> </ul>	Motor, contents, house, second home and accident.
What proportion of suppliers does the website cover?	Not relevant.	<ul style="list-style-type: none"> <li>• Comparison websites: Approx. 95%.</li> <li>• <b>Consumentenbond's</b> tests: Almost all insurers offering the product in question.</li> </ul>	It varies between websites.	Almost all insurance companies. Nearly 100% of the market.	<ul style="list-style-type: none"> <li>• SCIB: All companies.</li> <li>• Pricerunner: only a smaller share of the market.</li> </ul>	All national insurance companies. Total market share: Approx. 93%.
Is it possible to compare prices on the website?	Not relevant.	<ul style="list-style-type: none"> <li>• Comparison websites: Yes.</li> <li>• <b>Consumentenbond's</b> tests: Yes.</li> </ul>	Yes.	<ul style="list-style-type: none"> <li>• Travel insurance: Yes.</li> <li>• Other insurance types: Probably as of 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• SCIB: No.</li> <li>• Pricerunner: only motor insurance. <sup>35</sup></li> </ul>	Yes.

<sup>35</sup> With other insurance types, an inquiry is sent to each company, which sends a reply directly to the consumer.

4.3.1. Tools and initiatives which enable the consumer to compare the products of various suppliers in terms of price, coverage and other parameters – CONTINUED

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Are prices individually tailored or standard/list prices?	Not relevant.	<ul style="list-style-type: none"> <li>• Comparison websites: Individually tailored on the basis of individual risk information entered on the website.</li> <li>• <b>Consumentenbond's</b> tests: Standard/list prices.</li> </ul>	Individually tailored on the basis of individual risk information entered on the website.	<ul style="list-style-type: none"> <li>• Travel insurance: Standard/list prices.<sup>36</sup></li> <li>• Other insurance types as of 2009: Individually tailored prices on the basis of individual risk information entered on the website.</li> </ul>	<ul style="list-style-type: none"> <li>• Pricerunner: Individual prices based on risk information entered on the website.</li> </ul>	Individually tailored on the basis of individual risk information entered on the website. Prices are retrieved online from the IT systems of each company.
Is it possible to get an actual offer on the website?	Not relevant.	Comparison websites: Yes.	Yes.	No (suggested prices).	<ul style="list-style-type: none"> <li>• SCIB: No</li> <li>• Pricerunner: <ul style="list-style-type: none"> <li>- Motor: No (suggested prices)</li> <li>- Other insurance types: Each company sends an offer to the consumer.</li> </ul> </li> </ul>	No (suggested prices).
Is it possible to compare insurance terms on the website?	Not relevant.	<ul style="list-style-type: none"> <li>• Comparison websites: Yes simple comparison.</li> <li>• <b>Consumentenbond's</b> tests: Yes.</li> </ul>	Yes simple comparison.	Yes simple comparison. <sup>37</sup>  More detailed comparison will be available before the end of 2008. <sup>38</sup>	<ul style="list-style-type: none"> <li>• SCIB: Yes</li> <li>• Pricerunner: No</li> </ul>	Yes – detailed comparison. <sup>39</sup>

36 Prices on travel insurance in Norway are typically based on standard/list prices.

37 Products are compared only on main categories of coverage. Categories are: "Is covered", "Is partially covered" and "Is not covered".

38 The Norwegian Financial Services Association is currently preparing some benchmark terms to be used as a basis for a more detailed comparison of products and companies at finansportalen.no

39 The insurance terms of each company are compared against a set of benchmark terms which have been specifically created for this comparison website.

4.3.1. Tools and initiatives which enable the consumer to compare the products of various suppliers in terms of price, coverage and other parameters – CONTINUED

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Is it possible to compare other factors (parameters) on the website?	Not relevant.	<ul style="list-style-type: none"> <li>• Comparison websites: No.</li> <li>• <b>Consumentenbond's</b> tests: No.</li> </ul>	No.	No.	<ul style="list-style-type: none"> <li>• SCIB: No</li> <li>• Pricerunner: No</li> </ul>	No.
<p><b>The insurers' own websites:</b></p> <p>Are insurance prices normally available to the consumer on the insurers' own websites – are prices individually tailored or standard/list prices?</p>	Suggested prices are normally available on the basis of entered individual risk information.	<p>Varies from insurer to insurer.</p> <p>Standard/list prices are normally available.</p>	Varies between insurers.	Some companies – but far from all – publish suggested prices on the basis of entered individual risk information.	Normally, suggested prices are available on the basis of entered individual risk information.	Suggested prices are normally available on the basis of entered individual risk information.
Can consumers get an actual insurance offer on the insurers' own websites?	Varies from insurer to insurer.	Varies from insurer to insurer.	Varies between insurers.	Yes, by a few companies. Otherwise offers may be ordered via the company's website.	In some cases yes, or offers may be ordered via the company's website.	No, but offers may be ordered via the company's website.

4.3.2. Tools and initiatives enabling consumers to assess their insurance needs  
– and thus to avoid both inadequate insurance cover and double insurance

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Has the industry set up websites where the <b>individual consumer</b> – by entering his/her <b>individual</b> data on the website – may get help to establish his/her <b>individual</b> insurance needs?	No.	No.	No. <sup>40</sup>	Yes: Insurance sum of contents insurance. <sup>41</sup>  Also, a certification of insurance sales personnel.	No.	Yes: travel insurance <sup>42</sup> . A broader “needs calculator” covering all common types of consumer insurance will be launched in November 2008.
Have other parties set up such websites (see above)?	No.	No.	No.	No.	No.	Several companies have their own “needs calculators” on their websites.
Has the industry set up websites where consumers may receive general (non-personalised/individualised) information on insurance needs?	No. <sup>43</sup>	Yes. <sup>44</sup>	Yes. <sup>45</sup>	Yes. <sup>46</sup>	No.	Yes. <sup>47</sup>

40 However, there is a ‘House rebuilding cost calculator’ at the ABI’s website [www.abi.org.uk](http://www.abi.org.uk)

41 Household insurance sum calculator’ at the website of the Norwegian Financial Services Association.

42 “Needs calculator” for travel insurance:  
[www.rejseforsikringsmaaler.dk](http://www.rejseforsikringsmaaler.dk)

43 The Belgian Insurance Association is preparing an information campaign on insurance in 2009. The campaign is expected to involve web based communication.

44 The website of the Dutch Association of Insurers:  
[www.verzekeraars.nl](http://www.verzekeraars.nl), [www.wijzeringeldzaken.nl](http://www.wijzeringeldzaken.nl) (public/private).

45 ‘Information Zone’ on the ABI website: [www.abi.org.uk](http://www.abi.org.uk)

46 The website of the Norwegian Financial Services Association:  
[www.fnh.no](http://www.fnh.no)

47 The Danish Insurance Association’s website:  
[www.forsikringogpension.dk](http://www.forsikringogpension.dk)

4.3.2. Tools and initiatives enabling consumers to assess their insurance needs  
– and thus to avoid both inadequate insurance cover and double insurance – CONTINUED

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Have other parties set up such websites?	Yes: • Test-Aankoop (consumer association) <sup>48</sup>  • Brocom – insurance brokers <sup>49</sup>	Yes.: Consumentenbond (consumer association) <sup>50</sup>	Yes: The Financial Services Authority <sup>51</sup>	Yes: The government in co-operation with the Norwegian Consumer Council. <sup>52</sup>	The Swedish Consumers Insurance Bureau (SCIB). <sup>53</sup>	No.
Has the industry set up call centres, e-mail services or similar initiatives through which consumers may receive <b>individual</b> information/guidance on their insurance requirements (needs)?	No. <sup>54</sup>	No. <sup>55</sup>	No.	No.	No.	Yes. <sup>56</sup>
Have other parties set up such services?	No.	No.	Individual insurers will provide such guidance as will insurance intermediaries.	No.	• Consumers may approach SCIB directly.  • There are consumer consultants (not specialised in insurance though) in all Swedish municipalities.	No.

48 [www.test-aankoop.be](http://www.test-aankoop.be)

49 [www.brocom.be](http://www.brocom.be)

50 [www.consumentenbond.nl](http://www.consumentenbond.nl)

51 [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)

52 [www.finansportalen.no](http://www.finansportalen.no)

53 [www.konsumenternasforsakringbyra.se](http://www.konsumenternasforsakringbyra.se)

54 Individual questions are handled but not invited. The Belgian Insurance Association, however, is preparing an information campaign on insurance in 2009. The campaign may involve call centres and/or e-mail service.

55 The Dutch Association of Insurers is currently considering setting up a call centre and/or an e mail service or similar arrangement.

56 Forsikringsoplysningen. An information service financed by the industry. Three full time employees answer insurance-related questions posed by the media, consumers, etc.

#### 4.4. Tools and initiatives – loss/claim situation

##### 4.4.1. Tools and initiatives enabling consumers to learn the insurance company's reasons for rejecting a claim

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Are there any guidelines laid down by the industry concerning content and format of the reasons given by the company to the customer?	No.	Yes. <sup>57</sup>	Information not available.	No.	Yes.	Yes.
Are there any government rules concerning content and format of insurers' reasons?	Yes, detailed rules.	Very little.	Information not available.	No.	No.	No.

<sup>57</sup> Industry guidelines on how to handle claims and give information to the customer or the victim. A good deal of legal aspects are also covered.



#### 4.4.2. Options for complaining about insurers' decisions on claims (interpretation of insurance terms)

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Must companies have an internal person/function (responsible for complaints) to whom/which customers may complain against the company's decisions on claims?	Yes. <sup>58</sup>	Yes.	Information not available.	Yes.	Yes.	Yes.
Who has imposed this requirement? Government rule or industry code of conduct?	Industry code of conduct.	Industry code of conduct forced by government rules.	Information not available.	Industry code of conduct.	Government rule.	Government rule.
Is it possible to submit a complaint to an independent board of appeal?	Yes. <sup>59</sup>	Yes – two-tier system: First complaints are addressed to a “mediator”, then to an appeals board. <sup>60</sup>	Yes. <sup>61</sup>	Yes. <sup>62</sup>	Yes. <sup>63</sup>	Yes. <sup>64</sup>

58 The complainant may go directly to the ombudsman (but see below).

59 **Ombudsman des Assurance** (Insurance Ombudsman). The ombudsman handles complaints not only relating to insurers but also to insurance brokers; and both complaints on rejection of claims (interpretation of insurance terms) and complaints on the company or broker not living up to the law or codes of conduct.

60 Initially, the consumer may complain to an Ombudsman, a ‘mediator’ who will try to reconcile the two parties. Thereafter, the consumer may complain to the Disputes Committee, an appeals body that makes decisions. Both the Ombudsman and the Disputes Committee also handle complaints concerning, for example, a company’s marketing practices.

61 The Financial Ombudsman Service.

62 The Norwegian Bureau for Insurance Disputes.

63 The Swedish National Board for Consumer Complaints. In addition, there are special boards, for example, for personal insurance and liability insurance.

64 The Danish Insurance Appeals Board.

#### 4.4.2. Options for complaining about insurers' decisions on claims (interpretation of insurance terms) – CONTINUED

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Are there any costs for the consumer?	Free.	<ul style="list-style-type: none"> <li>• Ombudsman: Free</li> <li>• Disputes Committee: EUR 50. The fee is reimbursed if the complaint is successful.</li> </ul>	Free.	Free.	Free.	EUR 20. The fee is reimbursed if the complaint is successful.
To what extent are the decisions of the appeal board complied with by the companies?	As a general rule.	No figures available yet (Disputes Committee set up in 2007). But the decisions are binding for insurers.	Always (100% of cases).	Approx. 95-96% of cases. <sup>65</sup>	Always (100% of cases).	Approx. 95 % of cases.
Are there any public statistics on the cases and decisions of the board of appeal – in total or divided into insurance types?	Yes. <sup>66</sup>	Yes. <sup>67</sup>	Yes. <sup>68</sup>	Yes. <sup>69</sup>	Yes. <sup>70</sup>	Yes. <sup>71</sup>
Are the statistics broken down by individual insurance companies?	No.	No. <sup>72</sup>	No.	Yes.	No.	Yes.

<sup>65</sup> When a company chooses not to comply with the decision, it usually does so because it wants to obtain a fundamental evaluation by the court. Under an industry code of conduct, if a company does not wish to comply with a ruling of the appeals board the company must pay the legal costs of the case.

<sup>66</sup> Divided into insurance types. May be found in the ombudsman's annual report also on [www.ombudsman.as](http://www.ombudsman.as).

<sup>67</sup> Divided into insurance types. May be found on the appeals board's website.

<sup>68</sup> Divided into insurance types. May be found in the Financial Ombudsman Service's Annual Report (may be found at the Ombudsman's website)

<sup>69</sup> Divided into insurance types. May be found in the annual report of the appeals board (pdf file on the website of the appeals board).

<sup>70</sup> Divided into insurance types. May be found on the appeals board's website.

<sup>71</sup> Divided into insurance types. May be found on the appeals board's website.

<sup>72</sup> It is currently being considered whether to publish statistics on specific companies.

#### 4.4.2. Options for complaining about insurers' decisions on claims (interpretation of insurance terms) – CONTINUED

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Are there any government rules – or industry codes of conduct – requiring insurers to advise customers about their complaint options when rejecting a claim?	Yes, in policy wordings (government regulation).	Yes, in the policy wordings.	Information not available.	Yes (government rule). <sup>73</sup>	Yes.	Yes.
Is it possible to bring the decisions of the appeals board before the courts?	Yes. <sup>74</sup>	Yes. <sup>75</sup>	No.	If a company does not wish to comply with a decision of the appeals board, there is an industry code of conduct stating that the company must pay the legal costs of trial.	Yes.	Yes.
Are there any costs to the consumer in bringing a case before the courts?	Yes – the consumer bears all legal costs if the case is lost.	Yes – the consumer bears all legal costs if the case is lost.	Not relevant.	See above.	Yes – the consumer bears all legal costs if the case is lost. <sup>76</sup>	Yes – the consumer bears all legal costs if the case is lost.

<sup>73</sup> If the company fails to advise the customer on complaint options, the company loses its right to use its argument in a dispute.

<sup>74</sup> The ombudsman is not connected with the procedural way of dispute resolution. His opinions are, however, quoted in court cases.

<sup>75</sup> Marginal test. The case and the content of the case are not assessed all over again, but the court will evaluate whether the appeals board has come to a reasonable decision and has not made any obvious mistakes.

<sup>76</sup> Covered by the home insurance.

#### 4.5 Tools and initiatives – ensuring compensation for the consumer in case of bankruptcy

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Is there a guarantee scheme for non-life insurance?	No.	No.	Yes.	Yes.	No.	Yes.
Which insurance types are included?	Not relevant.	Not relevant.	All consumer insurance.	All risk insurance, but some international and large industry risks are exempted.	Not relevant.	All consumer insurance.
Does the scheme also cover the premium paid by the consumer to the liquidated company?	Not relevant.	Not relevant.	No.	Yes.	Not relevant.	Yes. <sup>77</sup>
Is the scheme funded or is it a pay-as-you-go scheme	Not relevant.	Not relevant.	No funding.	Funded.	Not relevant.	Funded (EUR 40m)
Who pays?	Not relevant.	Not relevant.	Insurers.	Insurers.	Not relevant.	Customers in all companies. <sup>78</sup>

<sup>77</sup> The fund covers premiums which were paid before the order to liquidate. But there is an excess of EUR 134.

<sup>78</sup> By way of a fixed contribution on all private insurance policies.

#### 4.6 General tools and initiatives – covering all the situations above

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Has the industry set up websites with general consumer information on insurance?	No. <sup>79</sup>	Yes. <sup>80</sup>	Yes. <sup>81</sup>	Yes. <sup>82</sup>	No.	Yes. <sup>83</sup>
Have other parties set up such websites?	Yes: • Test-Aankoop (consumer association). <sup>84</sup> • Brocom (insurance brokers). <sup>85</sup>	Yes: Consumentenbond (consumer association). <sup>86</sup>	Yes: The Financial Services Authority. <sup>87</sup>	Yes: The government in co-operation with the Norwegian Consumer Council. <sup>88</sup>	Yes: The Swedish Consumers Insurance Bureau (SCIB). <sup>89</sup>	No.
Has the industry set up any services (call centres, etc.) offering advice on insurance to the individual consumer?	No. <sup>90</sup>	No. <sup>91</sup>	No.	No.	No.	Yes. <sup>92</sup>

79 The Belgian Insurance Association is preparing an information campaign on insurance in 2009. The campaign is expected to involve web based communication.

80 The website of the Dutch Association of Insurers:  
[www.verzekeraars.nl](http://www.verzekeraars.nl)

81 Information Zone' on the ABI website: [www.abi.org.uk](http://www.abi.org.uk)

82 The Norwegian Financial Services Association's website:  
[www.fnh.no](http://www.fnh.no)

83 The Danish Insurance Association's website: [www.forsikringogpension.dk](http://www.forsikringogpension.dk)

84 [www.test-aankoop.be](http://www.test-aankoop.be)

85 [www.brocom.be](http://www.brocom.be)

86 [www.consumentenbond.nl](http://www.consumentenbond.nl)

87 [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)

88 [www.finansportalen.no](http://www.finansportalen.no)

89 [www.konsumenternasforsakringbyra.se](http://www.konsumenternasforsakringbyra.se)

90 Individual questions are handled but not actively invited. The Belgian Insurance Association, however, is preparing an information campaign on insurance in 2009. The campaign may involve call centres and/or e-mail service.

91 The Dutch Association of Insurers is currently considering setting up a call centre and/or an e mail service or similar arrangement.

92 Forsikringsoplysningen. An information service financed by the industry. Three full-time employees answer insurance-related questions posed by the media, consumers, etc.

#### 4.6 General tools and initiatives – covering all the situations above – CONTINUED

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Have other parties set up such services?	Supervisory authority, banking association.	No.	Individual insurers will provide such guidance as will insurance intermediaries.	No.	<ul style="list-style-type: none"> <li>• Consumers may approach SCIB directly.</li> <li>• There are consumer consultants (although not specialised in insurance) in all Swedish municipalities.</li> </ul>	No.
Has the industry taken any initiatives to encourage financial education?	Yes. <sup>93</sup>	Yes. <sup>94</sup>	Yes consumer guides.	No. <sup>95</sup>	No.	Yes. <sup>96</sup>
Have other parties taken any initiatives to encourage financial education?	No.	Yes. <sup>97</sup>	No. <sup>98</sup>	No.	The government is expected to launch a website in the near future. <sup>99</sup>	No. <sup>100</sup>

<sup>93</sup> The Belgian Insurance Association (BIA) is co-operating with different organisations, including the economics teachers' association, on financial education initiatives. BIA provides information and other types of support but not financial support. BIA is also trying to persuade the government to work for financial education in schools, etc.

<sup>94</sup> [www.wijzeringeldzaken.nl](http://www.wijzeringeldzaken.nl). Teaching materials for schools, etc. Government initiative which is being carried out as a public private partnership (PPP). The Dutch Association of Insurers is giving financial assistance (EUR 350,000 p.a.). Other parties are also contributing.

<sup>95</sup> NFSA has previously published teaching aids and materials but (some) companies have preferred to take on this task themselves.

<sup>96</sup> The government has established a "Money and Pensions Panel" in which the Danish Insurance Association and other parties participate. The Panel's task is to collect consumer information and to carry out and publish tests and analyses on consumer issues.

<sup>97</sup> See footnote no. 94.

<sup>98</sup> It is something the British government is looking at but so far there are no specific initiatives.

<sup>99</sup> The Swedish Financial Services Authority is expected to launch a website incorporating a range of teaching aids and materials on private finances, including insurance. Teaching aids and materials hitherto made available by government to primary schools and high schools have been difficult for teachers to access – and have therefore been little used.

<sup>100</sup> There have been political discussions but so far these have not resulted in specific initiatives.

#### 4.6 General tools and initiatives – covering all the situations above – CONTINUED

	Belgium	Netherlands	UK	Norway	Sweden	Denmark
Has the industry set up consumer panels or similar bodies aimed at identifying consumer attitudes, expectations, etc.?	The Belgian Insurance Association conducts regular computer-assisted surveys on, for example, the reputation/image of the industry among consumers.	Yes. <sup>101</sup>	Yes.	NFSA in co-operation with the Norwegian Consumer Council has carried out a comprehensive survey on the industry's image among consumers.	The Swedish Insurance Association conducts ad hoc market surveys. No permanent set up.	The Danish Insurance Association has set up a permanent internet-based consumer panel. <sup>102</sup>
Have other parties set up such panels or similar bodies?	Broker associations.	No.	The FSA has established a Financial Services Panel.	No.	No nothing permanent.	No.
Are there areas where the industry works together with the government – in Public Private Partnerships (PPP) – in launching consumer initiatives?	Yes. <sup>103</sup>	Yes. Financial education. See above.	Yes. <sup>104</sup>	No.	No.	(Yes). <sup>105</sup>

<sup>101</sup> The Dutch Association of Insurers performs an annual survey among consumers. The same questions are repeated every year. The questions focus among other things on the image of the insurance industry, consumers' experiences with insurance losses, perceptions of insurance fraud, and the consumers' knowledge of insurance.

<sup>102</sup> Via an external analysis agency, the Danish Insurance Association has set up a permanent internet panel (a representative segment of the population), which is used to gather information on consumers' wishes, expectations, attitudes, and insurance knowledge.

<sup>103</sup> Natural catastrophes scheme. Earthquake, landslide and flooding. Terrorism scheme.

<sup>104</sup> The government and insurance industry work cooperatively together on a number of consumer related issues.

<sup>105</sup> The Danish Insurance Association (DIA) handles the secretariat function for the Danish Guarantee Fund for Non-life Insurance as well as for the Danish stormflood damage fund. See also the footnote on "Financial education" (other parties).