

About Insurance under the FOS

The freedom to provide services (FOS) guarantees the mobility of insurance services within the European Union (EU) and the European Economic Area (EU + Iceland, Norway and Lichtenstein). The legal bases of FOS is set out by Articles 26 (internal market), and Articles 56 to 62 (services) of the Treaty on the Functioning of the European Union (TFEU).

Insurance mobility and consumer protection at EU level are safeguarded at European level:

1. Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II);
2. Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution.

The consumer is further protected by other European laws and regulations, such as Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce') or Regulation (EU) 2016/679 (General Data Protection Regulation or 'the GDPR').

As all EU directives and regulations must be implemented by each Member State, this ensures the same level of quality, consumer protection and non-discrimination across the European Union.

Is FOS insurance offering you the same level of protection as a local insurance?

In a word, yes. This is because each insurance company's activity is regulated by the same Directives, transposed into national laws. Also a supervisory body exists in all Member States, and all are connected to the European Insurance and Occupational Pensions Authority (EIOPA). As solvency requirements are the same in each Member State, an insurer will declare its solvency level to its national authority, and the national authority grants it the right to undertake risks in other European countries based on the measured financial capacity.

In some cases, an insurance company operating under FOS may be under more scrutiny than a local company, as both the public and national authorities are very sensitive regarding cross-border insurance programs.

What happens if I have a complaint?

If you have a complaint, the same procedure applies regardless of where the insurance company is based. First you complain to the insurance company. If you are not satisfied with their answer, you can submit a complaint with your national Supervisory Authority or Financial Consumer Protection Authority. Your national authority will immediately address the complaint to the supervisory body in the country of the insurer. The supervisory body will then take measures to resolve your complaint, applying the same laws and procedures derived from the European Directives.

In my country a portion of my insurance is guaranteed under a Guarantee Fund. What happens if the country of the insurer doesn't have a guarantee fund?

Any guarantee fund will only become available in the case of a local insurer bankruptcy. As long as the insurer is solvent, but they still don't pay their claims, no guarantee fund will intervene. The Guarantee Funds intervene only after a declared bankruptcy, and for a limited amount. For the rest of your money you will still have to wait to receive any refund or benefit from the special administrator in charge with the bankrupt insurer.

What happens if my policy was issued in another language?

In the EU insurance policies can be issued in any of the 24 languages. No matter the language, the policies still have to comply with all EU requirements of fairness, non-discrimination and consumer protection. A FOS policy can be issued in your own national language or in another

language (usually English, French or German). This should have no effect on the actual insurance coverages, which must comply with the EU requirements.