

Consumer Guide



BUYING INSURANCE ONLINE



 AZN



INSURANCE BUSINESS DURING THE EPIDEMIC

The performance of the insurance industry has been marked by the coronavirus epidemic since March 2020. Insurance companies have adjusted to the new situation. They introduced protective measures to safeguard their operations and prevent the spread of infections. They moved their business to electronic communication channels. They set a system for distance selling and online signing, thus enabling remote conclusion of insurance contracts.

Insurance policies are increasingly searched for and taken out online. One communicates with electronic devices and not directly with people. The content and form of information obtained online are adjusted to this sales channel; information is therefore often not found or not read fully or not understood correctly.

During the epidemic, it turned out that some insurance policies were not sufficiently clear as regards the insurance cover in the event of a coronavirus infection or disease. For example, whether a travel insurance covers the costs of the person insured in case the latter gets infected or falls ill with coronavirus.

The Insurance Supervision Agency therefore gives some practical advice in this leaflet.



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This leaflet is of an informative nature.

WHAT TO PAY ATTENTION TO WHEN BUYING INSURANCE ONLINE

- When it is not clear from the information given on the internet what type of insurance you need and whether you need it at all, or if you do not understand certain information found on the internet, **ask for additional information and advice personally or by telephone or e-mail** directly from the insurance company, agent or broker.
- If the details of the insurance product **are still not understandable** to you despite additional information and advice, **request an explanation in writing**. This includes questions about the insurance cover for insured events related to coronavirus.
- If you are looking for an insurance product on the internet, go through all information on the product and **check whether it is truly suitable for you**.
- Also when insurance is purchased online, the **insurance company must check whether a certain insurance product is suitable for you** based on the information it obtains from you through the internet (demands-and-needs test). If it finds that the insurance product is not suitable for you, an appropriate warning must be displayed on the website for you, and the insurance company may not offer you an insurance contract that does not suit your demands and needs.
- The conclusion of an insurance contract online is completed when you confirm that you are familiar with the insurance terms and conditions and other contractual documentation and **pay the insurance premium**. When you pay the premium, you enter into the insurance contract.

- **Before you pay the premium, check that all the necessary contractual documentation was given to you.** Pay special attention to the receipt of the insurance proposal or insurance policy, the relevant insurance terms and conditions, any calculations and explanations, the demands-and-needs test, and the insurance product information document.
- At any time and without additional payment, **you may request** the insurance company, agent or broker to give you **information on your insurance contract in writing**.
- Should you later find that you do not need the insurance product bought online, or that you bought it by mistake, **you can withdraw from such insurance contract** within 14 days or, in the case of a life or pension insurance policy, within 30 days. When you are taking out insurance, the insurance company must inform you about the right to withdraw from the insurance contract.
- **If you have any questions, contact the insurance company, agent or broker.** You received or should have received their contact information when you bought the insurance product. The information should also be available on their website.



GLOSSARY



INSURANCE CONTRACT is a contract by which you undertake to pay the insurance premium to the insurance company, and by which the insurance company undertakes to pay the policy proceeds or damages in the case of an insured event. An insurance contract is composed of an insurance policy (or cover note), which must contain all key elements of the insurance relationship, and the insurance terms and conditions, which define in detail your rights and obligations and the rights and obligations of the insurance company as the counterparty.

INSURANCE POLICY is a document on the insurance contract which must contain all key elements of the insurance relationship. It is an integral part of the insurance contract.

INSURED EVENT is an event which, under the insurance contract, constitutes the basis for the insurance company's obligation to pay the policy proceeds or damages.

INSURANCE COVER is an obligation assumed by the insurance company under the insurance contract; it defines when and in which cases the insurance company must pay the policy proceeds or damages to you.

POLICY PROCEEDS OR DAMAGES are the amounts that the insurance company pays if the insured event takes place.

INSURANCE PREMIUM or **PREMIUM** is the amount you pay to the insurance company for insurance.

DEMANDS-AND-NEEDS TEST is a procedure in which the insurance company, agent or broker determines your demands and needs in writing based on the information you provided to them online or during a conversation. You confirm the authenticity of the information given by signing the document or statement.

INSURANCE PRODUCT INFORMATION DOCUMENT is a document summarising the key information on the insurance product so as to provide a better overview of its characteristics, to make it easier to understand and to enable mutual comparison of insurance products. It is a compulsory component of each insurance contract, which you must obtain when taking out insurance.

The definitions of the basic insurance terms are taken from the websites of the Slovene Consumers' Association (www.consumersinternational.org/members/members/slovene-consumers-association/), the Slovenian Insurance Association (www.zav-zdruzenje.si/sredisce-informacij/slovar-zavarovalnih-izrazov) and the Insurance Supervision Agency (www.a-zn.si/en/).

More information for consumers in relation to the conclusion of insurance contracts is available in the consumer guides issued by the Insurance Supervision Agency (www.a-zn.si/en/consumers/agency-brochures in www.a-zn.si/potrosniki/brosure-agencije/).

WHAT ABOUT MY EXISTING INSURANCE POLICIES DURING THE EPIDEMIC?



EIOPA* and the Insurance Supervision Agency recommend as follows:

1. **Check your insurance policy** and make sure that you have the insurance cover needed: what is included in and especially what is excluded from the policy.
2. **Be aware of your contractual obligations.** If you are not able to meet them, e.g. if you have difficulties with the payment of the premium, contact your insurance company, agent or broker to get an explanation about the consequences of failure to pay the premium, or to get help in the search for an appropriate solution.
3. **Check all contingency measures** introduced by the insurance company, agent or broker, or the government, such as changes in the claim management procedures.
4. **Be careful of scams** and check all details of your insurance proposal received. Be careful with electronic messages or online services, especially if you receive an offer that seems unusually favourable, if you are put under unnecessary pressure to conclude a contract, or if you are asked to disclose personal data, such as user name, password, or personal or financial data.
5. **Do not panic if your unit-linked life insurance lost value.** Financial markets are usually unstable in times of crisis, which can last for quite some time. If you are worried about the fall in the value of your insurance policy or that your insurance product is not suitable for you, consult your insurance company, agent or broker before taking action.
6. **When in doubt, contact your insurance company, agent or broker,** which must give you clear and timely information.

EIOPA or the European Insurance and Occupational Pensions Authority is part of the European financial supervision system. As an independent body at the level of the European Union, it ensures the stability of the financial system, market and financial product transparency, and protection of insurance policy holders and members and beneficiaries of the pension insurance system.

COMPLAINT RESOLVING

Any problems in relation to an insurance product should first be addressed to the insurance company, which has a system for resolving disputes out-of-court and publicly available rules on the complaint procedure.

Should you not be satisfied with the decision of the insurance company, i.e. its complaint department, you may file your complaint with the following bodies of the **Slovenian Insurance Association**:



- **Mediation Centre** of the Slovenian Insurance Association, Železna cesta 14, 1000 Ljubljana, in relation to insurance and compensation relationships based on insurance contracts;
- **Insurance Ombudsman** in relation to violation of good business practice and basic standards in the area of insurance.

If you believe that you have been misled or that unfair business practices have been used, the competent authority is the **Market Inspectorate of the Republic of Slovenia**.

THE ROLE OF THE INSURANCE SUPERVISION AGENCY

The **Insurance Supervision Agency** is a supervisory authority exercising supervision over insurance companies, pension companies, insurance agents and insurance brokers, and taking care that they operate lawfully and in compliance with the risk management rules. Its role is to protect the interests of the policyholders, persons insured and beneficiaries under insurance contracts.

The Insurance Supervision Agency is not an appellate body and therefore does not decide or advise consumers about specific insurance contracts concluded. It is also not authorised to resolve disputes between consumers and insurance companies in relation to individual insurance contracts.





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