Regulation and supervision of the insurance market are indispensable because of the extreme economic and social importance of insurance, and thus in order to strengthen citizens’ trust in the stability and soundness of insurance companies.

The aim of regulating and supervising the insurance market is to increase consumer protection and provide for their social security. Faced by the varied range of insurance products, it is not easy for consumers to understand and assess what type of insurance they need and what to expect from insurance sellers and insurance companies.

New insurance regulations put consumer protection first. Insurance products must be understandable and safe, the rules on consumer information must be clear and insurance sellers must respect the strictest business standards.

Insurance supervision in the Republic of Slovenia is carried out by the Insurance Supervision Agency.

To raise consumers’ awareness of the importance of insurance policies and their rights in taking out insurance, we present in this leaflet the key novelties in the recast insurance rules.

Why is regulation of the insurance market important?
What is new in the insurance rules?

At the beginning of 2016, the European Commission prepared recast rules on insurance selling by adopting the Directive on insurance distribution (IDD). The provisions of the IDD have been transposed into the Slovenian legal order by the applicable Insurance Act.

The new rules bring a higher level of protection and more transparent information for consumers. They apply to all insurance companies, insurance sellers (distributors), all insurance products and distribution channels, as consumers must enjoy equal protection regardless of the insurance company and distribution channel through which they take out insurance.

**INSURANCE DISTRIBUTION** means the activities of advising on, proposing, or carrying out other work preparatory to the conclusion of insurance contacts, of concluding such contracts or of assisting in the administration and performance of such contracts, in particular in the event of a claim, including the provision of information concerning insurance contracts, including price and product comparison, or a discount on the price of an insurance contract.

**INSURANCE DISTRIBUTORS** in the Republic of Slovenia are insurance companies and all other persons that have obtained the authorisation of the Insurance Supervision Agency (or authorisation of the Bank of Slovenia for banks) to provide insurance agency or brokerage services and that are entered in the public register:
1. insurance agents and insurance brokers (natural persons),
2. insurance agencies and insurance brokerage companies,
3. ancillary insurance agents,
4. banks.

Main novelties and benefits for consumers

- **Uniform rules** on the operation of insurance distributors in the whole EU.
- **Equal level of consumer protection**, regardless of the distribution channel through which insurance is taken out.
- **Single information point** for public access to the registers of persons with appropriate authorisations to provide insurance agency and brokerage services.
- **Customer demands-and-needs test** before the conclusion of an insurance contract.
- **More transparent provision of information** on the insurance product in the form of a standardised document.
- **Personalised recommendation** when advice is provided prior to the conclusion of an insurance contract.
- **Description of individual parts of the package and separate presentation of the costs and payments for each individual part** when an insurance product is offered together with an ancillary or other service that is not insurance and the customer is enabled to buy individual parts of the package separately.
- **Disclosure of the distributor's relationship with the insurance company and types of remuneration and other benefits** that the distributor receives from the insurance company for the insurance contract concluded.
- **Access to all pre-contractual information free of charge.**
- **Stricter rules** in the area of insurance product development.
How to take out insurance safely?

1. **I CHECK THE PERSON OFFERING INSURANCE.**

2. **I PERFORM THE DEMANDS-AND-NEEDS TEST WITH THE DISTRIBUTOR.**

3. **THE DISTRIBUTOR PRESENTS TO ME ALL SUITABLE INSURANCE PRODUCTS AND GIVES ME A DOCUMENT WITH THE KEY INFORMATION ON THE INSURANCE PRODUCT.**

4. **WHEN ADVICE IS GIVEN BEFORE THE SALE, I REQUEST A PERSONALISED RECOMMENDATION CONCERNING A SUITABLE INSURANCE PRODUCT.**

5. **WHEN CONCLUDING AN AGREEMENT, I RECEIVE ALL THE NECESSARY DOCUMENTATION.**

---

**Check the person offering insurance**

Before the presentation of the contents, **request** from the person offering insurance to prepare at least the following data in writing:

- the person’s name and surname;
- data on the authorisation to perform insurance agency or brokerage services, and the register where the issue of the authorisation can be checked;
- whether the person provides advice on the insurance product offered;
- data on the name and address of the insurance company or other distributor for which the person provides insurance distribution services based on a contract;
- the insurance companies the person works for;
- the nature and source of the remuneration received for distribution in relation to the insurance product offered;
- the way in which disputes are resolved out-of-court and data on the procedure that the insurance company uses for resolving complaints.

Check in the public registers ([www.a-zn.si/en](http://www.a-zn.si/en)) whether the person with whom you are in contact and the company on behalf of which they operate have appropriate authorisations of the Insurance Supervision Agency to provide insurance agency or brokerage services.

**Customer demands-and-needs test**

**Before the conclusion of any insurance contract, the distributor must determine in writing your demands and needs** (demands-and-needs test) based on the information you provided during the conversation. You confirm the authenticity of the information given by signing the document.

**The distributor may only offer insurance products that suit the demands and needs determined, which prevents misleading in the sale of insurance products. Before the conclusion of the insurance contract, they must submit to you a document with key information on the insurance product, summarising the essential information about the product. Such document enables you to have a better overview of the characteristics of the insurance product, to understand it better and to mutually compare insurance products.**

**Take time and carefully check the contractual documentation received**

When concluding an insurance contract, be sure that before signing it you receive from the distributor all contractual documentation for which you signed that you have received it.

Pay special attention to:

- the insurance offer or insurance policy,
- the relevant insurance terms and conditions,
- any calculations and explanations,
- the demands-and-needs test,
- the document with key information on the insurance product.
Questions that you should not forget to ask yourself before deciding on an insurance product:

- Which insurance products do I already have?
- What do I want to insure?
- Why am I taking out insurance?
- When does insurance start to apply and for how long does it last?
- How much funds can I allocate to the payment of insurance?
- Can I subsequently change or terminate the insurance contract?
- Do I understand the consequences of terminating the insurance contract early?

If you have any questions in relation to the insurance product, address them to the distributor or insurance company.
Complaint resolution

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 complaints 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.