

Finansinspektionen's Regulatory Code

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Finansinspektionen's Regulations and General Guidelines governing insurance mediation (FFFS 2005:11)

FFFS 2005:11

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Please note that only the printed edition applies for the application of the law.

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Chapter 1. Scope and definitions

Scope

Section 1 These regulations and general guidelines cover natural and legal persons who conduct or intend to conduct business in accordance with the Insurance Mediation Act (2005:405).

For those who conduct or intend to conduct such ancillary business as referred to in Chapter 5, section 1, first paragraph of the Insurance Mediation Act, special provisions apply in:

1. Chapter 2, sections 1 and 9–15 regarding knowledge and skills,
2. Chapter 3, sections 4 and 5 regarding insight and experience,
3. Chapter 5, section 2 regarding professional indemnity insurance, and
4. Chapter 6, sections 2, 3 and 12 regarding information to a customer. (FFFS 2007:23)

Definitions

Section 2 The same definitions are used in these regulations and general guidelines as in Chapter 1, section 10 of the Insurance Mediation Act unless otherwise indicated.

In these regulations and general guidelines, the following terms are defined:

1. *professional indemnity insurance*: such insurance for liability for damages as defined by Chapter 2, section 5, subsections 4 and 6, first paragraph, point 2 of the Insurance Mediation Act,

2. *fund unit mediation*: such ancillary business as defined by Chapter 2, section 1, subsections 1 and 5 of the first paragraph, point 15 of the Securities Market Act (2007:528), and

3. *investment advice on fund units*: such ancillary business as defined by Chapter 2, section 1, subsection 5, and subsection 5, first paragraph, point 15 of the Securities Market Act. (FFFS 2007:23)

Chapter 2. Knowledge and skills

Responsibility for knowledge and skills

Section 1 An insurance intermediary who is a legal person shall ensure that those employees mediating insurances or fund units or providing insurance advice on fund units to others than consumers possess the knowledge and skills required and that those employees' skills are updated in accordance with section 12.

For employees who provide investment advice on fund units to consumers, the provisions set out in Chapter 16, sections 2 and 7 of Finansinspektionen's Regulations governing investment services and activities (FFFS 2007:16) apply.

General guidelines

An insurance intermediary who is a legal person should establish guidelines for what knowledge and skills the employees mediating insurances or fund units or providing investment advice on fund units shall possess. The guidelines should not relate to individual employees but to different positions or categories of employees at the intermediary with a focus on the activity they shall carry out and the products which they will mediate. It should also be clear from the guidelines how the insurance intermediary should ensure that the employees' skills are updated.

An insurance intermediary who intends to delegate a work task which is connected with insurance mediation to someone at the intermediary who does not have the right to mediate insurances, should establish guidelines for which work task or tasks can be delegated and which knowledge and skills the delegated person should possess. When delegating tasks, the insurance intermediary should follow the instructions provided in regards to the Government bill 2004/05:133, Insurance Mediation, page 52f.

Where the insurance intermediary is a legal person, the guidelines should be established by someone in the management of the legal person. (FFFS 2007:23)

Adaptation of knowledge

Section 2 Those who mediate insurances shall possess knowledge of which the content and level are adapted to the activity to be conducted and the insurances that will be mediated.

General guidelines

The content of knowledge refers to various subject areas. Examples are provided in sections 6–8, within which various primary areas, i.e. law, of the different subjects that those mediating insurances shall require knowledge of. In other words, it is a question of examples of subjects which mean both that an intermediary must not possess knowledge of all the subjects referred to there and that subjects may exist which an intermediary requires knowledge of but which are not listed there. Which subjects an intermediary requires knowledge of may vary depending on the activity which he or she shall carry out and the insurances that he or she shall mediate.

The level of knowledge refers to various cognitive levels (to be familiar with, to understand, to be able to apply, etc.). Which level of knowledge those mediating insurances require may vary for the different subjects but also within one and the same subject. For example, in terms of the Insurance Mediation Act, an intermediary should be familiar with the provisions on intervention set forth in Chapter 8, but be able to apply the provisions regarding good insurance mediation practice set out in Chapter 5, section 4.

That the knowledge will be adapted to the insurances which will be mediated means that consideration shall be paid to whether it refers to simple, standardised products or more complicated products and whether it applies to life assurances or non-life insurances. Consideration should also be paid to whether the mediation shall refer to only one or more insurance classes or groups of insurance classes.

That the knowledge shall be adapted to the activity that will be carried out means that consideration should be paid not only to the insurances that will be mediated but also to which customer categories that the mediation shall refer to.

The knowledge requirement for those who mediate insurances that supplement a product or service

Basic requirements

Section 3 Those who, in parallel with their primary occupational business, mediate insurances that supplement a product or service, shall possess knowledge of the following:

1. The insurance intermediary's role and responsibility:
 - a) The Insurance Mediation Act
 - b) The Insurance Mediation Ordinance
 - c) Relevant regulations and general guidelines from Finansinspektionen
 - d) Finansinspektionen's role and supervision
 - e) Good insurance mediation practice
 - f) Moral and ethics (*FFFS 2007:23*)

Special requirements for mediation of life assurances

Section 4 Those who, in parallel with their primary occupational business, mediate insurances that supplement a product or service, shall, in addition to that defined by section 3, possess knowledge of the following:

1. The Financial Advice to Consumers Act (2003:862) and relevant regulations and general guidelines from Finansinspektionen
2. Life assurance at a basic level
3. The insurances that will be mediated (*FFFS 2007:23*)

Special requirements for mediation of non-life insurances

Section 5 Those who, in parallel with their primary occupational business, mediate insurances that supplement a product or service, shall, in addition to that set out in section 3, possess knowledge of the following:

1. Non-life insurance at a basic level
2. The insurances that will be mediated (*FFFS 2007:23*)

Knowledge requirements for those who will mediate insurances in other cases

Basic requirements

Section 6 Those who will mediate insurances in other cases than those defined by section 3 shall possess knowledge of:

1. The insurance intermediary's role and responsibility
 - a) The Insurance Mediation Act
 - b) The Insurance Mediation Ordinance
 - c) Relevant regulations and general guidelines from Finansinspektionen
 - d) Finansinspektionen's role and supervision
 - e) Good insurance mediation practice
 - f) Moral and ethics
2. Law, such as:
 - a) Insurance business legislation
 - b) Insurance contract legislation
 - c) General contract law
 - d) Consumer legislation
 - e) Law relating to the rights of agents
 - f) Laws relating to claims of indemnification
 - g) Company law
 - h) Money laundering legislation
 - i) Insider legislation
 - j) Fiscal law
3. Economics, such as:
 - a) Personal finance
 - b) Business administration
 - c) Economics of insurance

4. International insurance, such as:

- a) EU legislation
- b) International insurance market (FFFS 2007:23)

Special requirements for mediation of life assurances

Section 7 Those who mediate life assurances in other cases than those set out in section 4 shall, in addition to that defined by section 6, possess knowledge of the following:

1. The Financial Advice to Consumers Act (2003:862) and relevant regulations and general guidelines from Finansinspektionen

2. Law, such as:

- a) The Marriage Code
- b) The cohabitation legislation
- c) The Parental Code
- d) Inheritance Code
- e) Fiscal law

3. Financial economics, such as:

- a) The capital market
- b) Financial instruments
- c) Investment strategies
- d) Portfolio theory
- e) Performance and risk

4. Insurance required by law

5. Contractual insurance, such as:

- a) Individual personal insurance
- b) Personal group Insurance
- c) Personal insurance based upon collective bargaining agreements

6. Types of insurance, such as:

- a) Traditional insurance
- b) Unit-linked insurance
- c) Occupational pension insurance

7. Actuarial and life assurance theory, such as:

- a) Calculation of premiums
- b) Surrender and right of transfer
- c) Bonus
- d) Solvency and collective consolidation

8. Legal forms of association

9. Risk assessment, such as:

- a) Qualifying periods
- b) Incorrect information
- c) Other limitations of the insurance company's liability
- d) Reinsurance (*FFFS 2007:23*)

Special requirements for mediation of non-life insurances

Section 8 Those who mediate non-life insurances in other cases than those defined by section 5 shall, in addition to that set forth in section 6, possess knowledge of the following:

1. Law, such as:

- a) Construction law

2. Risk management

3. Types of insurance, such as:

- a) Property insurance
- b) Consequential loss insurance
- c) Liability insurance
- d) Credit insurance
- e) Transport insurance
- f) Marine insurance
- g) Motor vehicle insurance
- h) Construction insurance
- i) Wealth insurance
- j) Sickness and accident insurance
- k) Legal expenses insurance
- l) Special insurance

4) Reinsurance (*FFFS 2007:23*)

Knowledge requirements for those mediating fund units or providing investment advice on fund units

Basic requirements

Section 9 Those mediating fund units or providing investment advice on fund units shall possess knowledge of:

- 1. Chapter 8, sections 1, 12, 15–19 and sections 22–27 of the Securities Market Act,
- 2. Chapters 2, 7 and Chapter 12, Chapter 13, sections 1–5, Chapter 14, and Chapter 21 of Finansinspektionen's Regulations governing investment services and activities, where appropriate,
- 3. Chapters 1–6, 8 and 9 of the Investment Funds Act (2004:46), where appropriate, and
- 4. Chapters 13 and 14 of Finansinspektionen's Regulations governing investment funds (*FFFS 2004:2*), where appropriate. (*FFFS 2007:23*)

Special requirements for mediation of fund units

Section 10 Those mediating unit shares shall, in addition to that defined by section 9, possess knowledge of:

1. Chapter 8, section 20 of the Securities Market Act,
2. Chapter 15, section 1 and sections 7–11 of Finansinspektionen's Regulations governing investment services and activities,
3. the difference between mediation of fund units and mediation of unit-linked pension funds,
4. the difference between mediation of fund units and marketing of fund units and other financial instruments, and
5. the difference between mediation of fund units and investment advice on fund units and other financial instruments. (*FFFS 2007:23*)

Special requirements for investment advice on fund units

Section 11 Those providing investment advice on fund units shall, in addition to that defined by section 9, possess knowledge of:

1. Chapter 15, sections 1–6 and 8–10 of Finansinspektionen's Regulations governing investment services and activities,
2. the difference between investment advice on fund units and investment advice on other financial instruments,
3. the difference between investment advice on fund units and marketing of fund units and other financial instruments, and
4. the difference between investment advice on fund units and mediation of fund units.

Those providing investment advice on fund units to consumers shall also possess the knowledge as defined by Chapter 16, sections 3–5 of Finansinspektionen's Regulations governing investment services and activities.

Chapter 2, sections 5 and 6 and Chapter 5, section 1 of the Insurance Mediation Act mean that those providing investment advice on fund units to others than consumers shall have suitable knowledge of the activity that shall be conducted. (*FFFS 2007:23*)

Knowledge update

Section 12 Those mediating insurances or fund units or providing investment advice on fund units to others than consumers shall, when necessary, update their knowledge of the relevant areas set forth in sections 3–11.

For those providing investment advice on fund units to consumers, the provisions set forth in Chapter 16, section 7 of Finansinspektionen's Regulations governing investment services and activities apply.

General guidelines

Those mediating insurances or fund units or providing investment advice on fund units should update their knowledge, for example, in conjunction with major changes in the regulations which are relevant to their operations and with reference to the product development of their business area. (*FFFS 2007:23*)

Practical experience

Section 13 Those mediating insurances shall have practical experience that is adapted to the activity to be conducted and the insurances to be mediated. Those who only in parallel with their primary occupational business mediate insurances that supplement a product or service need not possess any practical experience.

For those providing investment advice on fund units to consumers, the provisions set forth in Chapter 16, section 8 of Finansinspektionen's Regulations governing investment services and activities apply.

General guidelines

That the practical experience shall be adapted to the insurances to be mediated means that consideration shall be paid to whether it refers to simple, standardised products or more complicated products and whether it applies to life assurances or non-life insurances. Consideration should also be paid to whether the mediation shall refer to only one or more insurance classes or groups of insurance classes.

That the practical experience shall be adapted to the activity that will be conducted means that consideration should be paid not only to the insurances that will be mediated but also to which customer categories that the mediation refers to.

Those mediating insurances as their primary occupational business should, as a rule, have worked, over a total period of time of at least two years during the past five years, with such work tasks under the qualified supervision of an insurance intermediary or with equivalent work tasks for an insurance company. (FFFS 2007:23)

Proficiency test

Section 14 Those mediating insurances or fund units shall have taken a test that shows that he or she has the knowledge required in accordance with sections 2–10. The test shall have been provided or approved by someone with knowledge of the subject areas that the test refers to and by someone with knowledge of how the test was formulated in accordance with accepted methods for test development. Furthermore, the test shall be conducted in a safe and reliable manner that guarantees the tested person's skills.

For those providing investment advice on fund units to consumers, the provisions set forth in Chapter 16, section 6 of Finansinspektionen's Regulations governing investment services and activities apply.

As for insurance mediation, Finansinspektionen, after application by the insurance intermediary, may decide on waivers from the proficiency test requirement, if there are special grounds and the knowledge can be proven in another manner.

General guidelines

The test should be formulated in a way that ensures its validity, that is to say that the test measures what it is intended to measure, and its reliability, that is to say that the test is reliable and free from random influence. (FFFS 2007:23)

Proof

Section 15 Those mediating insurances or fund units or providing investment advice on fund units to consumers shall, in the verification as defined by Chapters 10 and 11, and in Finansinspektionen's supervision, be able to present proof of the content, extent and result of the test as set forth in section 14, first paragraph and Chapter 6, section 6, respectively, of Finansinspektionen's Regulations governing investment services and activities. (FFFS 2007:23)

Chapter 3. Insight and experience**Who shall be considered as a member of management**

Section 1 A legal person mediating insurances shall be considered as part of the management when it applies to:

- listed companies: a board member, deputy board member, managing director and deputy managing director,
- limited partnership: full general partner,
- other trading partnership: partner, and
- economic association: a board member, deputy board member, managing director and deputy managing director.

If the general partner of a limited partnership or the partner of a trading partnership is a legal person, the natural persons who are members of the management of this legal person shall be considered as a member of the management of the legal person mediating insurances. (FFFS 2007:23)

Basic requirements for the management

Section 2 Those who will be partners of a partnership mediating insurances or partners in another partnership mediating insurance may not be a minor or have a guardian pursuant to Chapter 11, section 7 of the Parental Code. That the same applies for those who will be a board member, deputy board member, managing director or deputy managing director of a listed company or an economic association which mediates insurances is set forth in Chapter 8, sections 3, 11, 28 and 31 of the Companies Act (2005:551) and Chapter 6, sections 1, 3 and 4 of the Economic Associations Act (1987:667). (FFFS 2007:23)

Knowledge of regulations governing insurance mediation

Section 3 The management of a legal person mediating insurances shall include someone who is familiar with the contents of the Insurance Mediation Act, the Insurance Mediation Ordinance and relevant regulations and general guidelines from Finansinspektionen. (FFFS 2007:23)

Knowledge of regulations governing insurance mediation

Section 4 The management of a legal person mediating fund units shall include someone who is familiar with the contents of:

1. Chapter 8, sections 1, 9–12 and sections 14–27 of the Securities Market Act,
2. Chapters 2, 6–9, 11 and 12, Chapter 13, sections 1–5, Chapter 14, and Chapter 21 of Finansinspektionen's Regulations governing investment services and activities, where appropriate, and
3. Chapter 15, sections 1 and 7–11 and Chapter 19 of Finansinspektionen's Regulations regarding securities operations, and
4. Chapters 1–6, 8 and 9 of the Investment Funds Act (2004:46), where appropriate, and
5. Chapters 13 and 14 of Finansinspektionen's Regulations governing investment funds (FFFS 2004:2). (*FFFS 2007:23*)

Knowledge of regulations for investment advice on fund units

Section 5 The management of a legal person providing investment advice on fund units shall include someone who is familiar with the contents of:

1. the provisions set forth in section 4, subsections 1, 2, 4 and 5 with the exception of Chapter 8, section 20 of the Securities Market Act, and
2. Chapter 15, sections 1–6 and 8–10 and Chapter 16 of Finansinspektionen's Regulations governing investment services and activities. (*FFFS 2007:23*)

Knowledge of the insurance market

Section 6 The management of a legal person mediating insurances shall include someone who understands the insurance market's role and function. (*FFFS 2007:23*)

Knowledge of insurances

Section 7 The management of a legal person mediating insurances shall include someone who is familiar with the insurances which the mediation shall refer to. (*FFFS 2007:23*)

Knowledge of or practical experience of senior management

Section 8 The management of a legal person mediating insurances shall include someone who can apply knowledge of senior management or who has a minimum of two years' practical experience of senior management. (*FFFS 2007:23*)

Chapter 4. Conscientiousness in financial affairs

Basic requirements for the management

Section 1 Those who are partners in a partnership mediating insurances or partners in another partnership which mediates insurances may not be bankrupt. That the same applies for those who will be a board member, deputy board member, managing director or deputy managing director of a listed company or an economic

association which mediates insurances is set forth in Chapter 8, sections 3, 11, 28 and 31 of the Companies Act (2005:551) and Chapter 6, sections 1, 3 and 4 of the Economic Associations Act (1987:667). (FFFS 2007:23)

Other requirements for conscientiousness

Section 2 Those mediating insurances or who are included in the management of a legal person mediating insurances may not:

1. have debts exceeding SEK 100,000 and which are under execution by Kronofogdemyndigheten (the Swedish Enforcement Authority),
2. during the past five years have had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act, or
3. have been a member of the management of a legal person which during the past five years has had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act or has been a member of the management of such a legal person within six months prior to the revocation.

The provisions in the first paragraph, points 2 and 3 apply even if the decision for revocation has not come into force if:

1. Finansinspektionen has decided that the revocation shall apply immediately, and
2. a general administrative court has not decided that until further notice the decision will not apply. (FFFS 2007:23)

Chapter 5. Professional indemnity insurance

Professional indemnity insurance in conjunction with insurance mediation

Section 1 For professional indemnity insurance in conjunction with mediation of insurances, in addition to that set forth in Chapter 4, section 1 of the Insurance Mediation Ordinance, the following applies:

The highest remuneration that can be paid for an injury shall be an amount equivalent to at least one million Euro or the higher amount, based on changes in the European consumer price index, which the European Community's Commission announces every fifth year as of 2007.

The highest total remuneration that can be paid for an injury during one year shall be an amount equivalent to any of the following, or the higher amount, based on changes in the European consumer price index, which the European Community's Commission announces every fifth year as of 2007.

1. at least two million Euro if the number of natural persons covered by the insurance during the beginning of the insurance term amounts to a maximum of 10,
2. at least three million Euro if the number of natural persons covered by the insurance during the beginning of the insurance term amounts to between 11 and 20, and
3. at least four million Euro if the number of natural persons covered by the insurance during the beginning of the insurance term exceeds 20.

Professional indemnity insurance in conjunction with fund unit mediation and investment advice on fund units

Section 2 For professional indemnity insurance in conjunction with mediation of fund units and investment advice on fund units, the following applies:

1. The insurance shall apply for an injury caused as of the day when the intermediary was registered with the Swedish Companies Registration Office and which has been notified to the insurer as long as the insurance is valid.
2. The insurance shall be associated with a continued cover which means that the insurance also covers injuries that have been reported to the insurer within three years from when the insurance was terminated and which are not covered by any other insurance.
3. The injured party shall be allowed to make claims for compensation pursuant to the insurance contract directly against the insurer to the extent that he or she has not received compensation from the insured party.
4. Compensation shall be paid to the injured party without deduction for excess.
5. The insurance can be terminated, at the earliest, one month after Finansinspektionen has been notified regarding the expiration.
6. The highest compensation that can be paid for an injury shall amount to a sum equivalent to a minimum of EUR 500,000. The highest total compensation that can be paid during one year shall amount to a sum equivalent to a minimum of EUR 750,000. (*FFFS 2007:23*)

Chapter 6. Information to a customer

The insurance intermediary's identity

Section 1 An insurance intermediary who is a natural person shall inform the customer of his or her first name and surname, civic registration number and, where appropriate, his or her firm. An insurance intermediary who is a legal person shall inform the customer of his or her firm and civic registration number and the first name and surname of the natural person mediating the insurance.

Where the insurance intermediary mediates the insurance on behalf of another insurance intermediary, the intermediary shall also inform the customer of that intermediary's first name and surname or firm.

A tied insurance intermediary shall furthermore inform the customer regarding the firm of the insurance company or companies which the intermediary is associated with.

The insurance intermediary shall also inform the customer of his or her postal address and telephone number and, where appropriate, his or her visiting address, e-mail address and fax number.

General guidelines

Where the information is provided orally pursuant to Chapter 6, section 4, first paragraph of the Insurance Mediation Act, the insurance intermediary only needs to inform the customer regarding the circumstances set forth in section 1, first–third paragraphs above and of his or her postal address or telephone number. All information pursuant to section 1 above must, however, be included in the information that the intermediary shall provide to the customer as soon as possible after an insurance contract has been entered into as stated in Chapter 6, section 3 of the Insurance Mediation Act.

The insurance intermediary's registration

Section 2 The insurance intermediary shall inform the customer that the intermediary is registered with the Swedish Companies Registration Office. The insurance intermediary shall also inform the customer regarding which type or types of insurance the registration regards and, where appropriate, whether the registration is limited to any insurance class or classes or groups of insurance classes.

The insurance intermediary shall inform the customer that the intermediary's registration can be checked at the Swedish Companies Registration Office by indicating the Swedish Companies Registration Office's postal address, e-mail address, telephone number and website.

An insurance intermediary who is a legal person shall inform the customer that Finansinspektionen, upon request, shall inform customers and others whether an employee of the intermediary has the right to mediate insurances and whether this right is limited to a certain type of insurance, any insurance class or classes or groups of insurance classes. Where the legal person is a tied insurance intermediary, the intermediary shall instead inform the customer that upon request the insurance company that the intermediary is associated with, shall inform customers and others whether an employee of the intermediary has the right to mediate insurances and whether this right is limited to a certain type of insurance, any insurance class or classes or groups of insurance classes.

General guidelines

A tied insurance intermediary should inform the customer where to obtain information at the insurance company regarding employees, such as on a website or from a contact person.

Where the information is provided orally pursuant to Chapter 6, section 4, first paragraph of the Insurance Mediation Act, the insurance intermediary only needs to inform the customer that the intermediary is registered with the Swedish Companies Registration Office and that the registration can be verified there. Furthermore, an insurance intermediary who is a legal person only needs to inform the customer that Finansinspektionen or, if the legal person is a tied insurance intermediary, the insurance company that the intermediary is associated with, should inform customers and others upon request that an employee has the right to mediate insurances. All information pursuant to section 2 above must, however, be included in the information that the intermediary shall provide to the customer as soon as possible after an insurance contract has been entered into as stated in Chapter 6, section 3 of the Insurance Mediation Act.

An insurance intermediary who is registered with the Swedish Companies Registration Office for fund unit mediation or investment advice on fund units, when mediating fund units and providing investment advice on fund units, respectively, should inform the customer of this fact. (*FFFS 2007:23*)

Supervisory authority

Section 3 The insurance intermediary shall inform the customer that the intermediary is under Finansinspektionen's supervision and then provide Finansinspektionen's postal address, e-mail address, telephone number and website.

General guidelines

Where the information is provided orally pursuant to Chapter 6, section 4, first paragraph of the Insurance Mediation Act, the insurance intermediary only needs to inform the customer that the intermediary is under Finansinspektionen's supervision. All information pursuant to section 3 above must, however, be included in the information that the intermediary shall provide to the customer as soon as possible after an insurance contract has been entered into as stated in Chapter 6, section 3 of the Insurance Mediation Act.

An insurance intermediary who is registered with the Swedish Companies Registration Office for fund unit mediation or investment advice on fund units, when mediating fund units and providing investment advice on fund units, respectively, should inform the customer that Finansinspektionen's supervision relates to this activity as well.

An insurance intermediary who in the same business as the insurance intermediary performs another activity than mediation of fund units or investment advice on fund units and who is not under Finansinspektionen's supervision, should, when performing the other activity, inform the customer that Finansinspektionen's regulation does not relate to this activity. (*FFFS 2007:23*)

Qualifying holding

Section 4 The insurance intermediary shall, where appropriate, inform the customer regarding in which insurance company or companies that the intermediary has a qualifying holding and, if so, indicate the insurance company's firm.

A insurance intermediary who is a legal person, where appropriate, shall inform the customer regarding in which insurance company or companies that the intermediary has a qualifying holding and, if so, indicate the insurance company's firm.

The cost of insurance mediation

Section 5 The insurance intermediary shall inform the customer regarding all remuneration which the intermediary may receive for the mediation, regardless of at which time and in which way this remuneration is paid to the insurance

intermediary and whether the remuneration is paid by the customer or by anyone other than the customer. The information shall provide the amount of the remuneration or, if this is not possible, the basis for how the remuneration is determined. Where the remuneration for the mediation is paid to employees or insurers at the intermediary, the information shall account for this remuneration as well. The same applies to where the intermediary mediates insurance for another insurance intermediary and the mediation's remuneration is paid to the intermediary's insurer.

In sections 6–11, regulations are provided regarding which information shall be provided concerning certain types of remuneration. Where the remuneration in question is not covered by any of these types of remuneration, the regulations in the first paragraph apply.

Remuneration from the customer

Section 6 Where the insurance intermediary receives remuneration for the insurance mediation from the customer, the information shall provide the amount of the remuneration or, if this is not possible, the basis for how the remuneration is determined.

Remuneration from the insurer

Section 7 Where the insurance intermediary receives remuneration for the insurance mediation from the insurer before the insurance contract is entered into, the information shall provide the amount of the remuneration or, if this is not possible, the basis for how the remuneration is determined.

Section 8 Where the insurance intermediary receives compensation for the insurance mediation from the insurer when the insurance contract is entered into, the information shall provide the amount of the remuneration. Where the insurer has the right to get back the entire amount or a portion of the remuneration if the insured, within a certain amount of time from when the insurance contract was entered into, stops paying the agreed premium to the insurer, the intermediary shall inform the customer within which timeframe the right applies and the amount of the remuneration which the insurer has a right to get back.

Section 9 Where the insurance intermediary receives remuneration for the insurance mediation from the insurer during the insurance period, the information shall provide the basis for how the remuneration is determined. Where the intermediary receives special remuneration from the insurer if the insured pays a higher premium to the insurer than that agreed, the information shall provide the amount of the remuneration or the basis for how the remuneration is determined.

Section 10 Where the insurance intermediary, because the amount of the agreed premiums for insurances which the intermediary has mediated from the insurer have reached a particular amount or because of some other similar circumstance, higher compensation for the insurance mediation from the insurer than the intermediary would have received otherwise, the information shall provide the basis for how the remuneration shall be determined.

Remuneration from someone other than the customer or insurer

Section 11 Where the insurance intermediary receives remuneration for the insurance mediation from someone other than the customer or the insurer, the

information shall provide the amount of the remuneration or, if this is not possible, the basis for how the remuneration is determined.

Professional indemnity insurance

Section 12 An insurance intermediary who is not a tied insurance intermediary shall inform the customer regarding:

1. which insurer has issued the professional indemnity insurance and then provide the insurer's firm, postal address, e-mail address and telephone number,
2. that the injured party shall be allowed to make claims for compensation directly to the insurer to the extent that he or she has not received compensation of the insured and the timeframe within which such a requirement must be brought forward to the insurer, and
3. the highest compensation which can be paid out per claim and for all claims during one year.

For a tied insurance intermediary, the information shall instead relate to the insurance company's responsibility pursuant to Chapter 6, section 1, second paragraph of the Insurance Mediation Act.

General guidelines

Where the information is provided orally pursuant to Chapter 6, section 4, first paragraph of the Insurance Mediation Act, the insurance intermediary only needs to inform the customer which insurer has issued the professional indemnity insurance and then indicate the insurer's firm. All information pursuant to section 12 above must, however, be included in the information that the intermediary shall provide to the customer as soon as possible after an insurance contract has been entered into as stated in Chapter 6, section 3 of the Insurance Mediation Act.

An insurance intermediary who mediates fund units or provides investment advice on fund units, when mediating the fund units or providing investment advice on fund units, shall, as regards professional indemnity insurance for this activity, inform the customer regarding corresponding circumstances as set forth in section 12, first paragraph, points 1–3 above.

An insurance intermediary who in the same business as the insurance intermediary performs another activity than fund unit mediation or investment advice on fund units, when performing the other activity, should inform the customer that the professional indemnity insurance does not apply for this activity. (FFFS 2007:23)

Complaints against the insurance intermediary

Section 13 The insurance intermediary shall inform the customer of the procedure for the intermediary's complaints management and who is responsible for complaints. The information shall state what the customer and others affected by the insurance mediation shall do in order to lodge complaints against the intermediary and, where appropriate, to lodge a complaint with the intermediary.

The insurance intermediary shall also inform the customer regarding the guidance that can be obtained from the Swedish Consumers' Banking and Finance Bureau

and the Swedish Consumers Insurance Bureau as well as the municipal consumer advice centres.

General guidelines

Where the information is provided orally pursuant to Chapter 6, section 4, first paragraph of the Insurance Mediation Act, the insurance intermediary only needs to inform the customer regarding who is responsible for complaints and of the guidance that can be obtained from the Swedish Consumers' Banking and Finance Bureau as well as the municipal consumer advice centre. All information pursuant to section 13 above must, however, be included in the information that the intermediary shall provide to the customer as soon as possible after an insurance contract has been entered into as stated in Chapter 6, section 3 of the Insurance Mediation Act.

Dispute settlement

Section 14 The insurance intermediary shall inform the customer regarding the opportunity to have a dispute with the intermediary determined by the Swedish National Board for Consumer Complaints.

General guidelines

The insurance intermediary should inform the customer regarding the opportunity to have a dispute with the intermediary determined by a court of general jurisdiction.

Chapter 7. Documentation of the insurance mediation

Information concerning the insurance intermediary

Section 1 The documentation shall contain the information which, pursuant to Chapter 6 of these regulations and Chapter 6, section 2 of the Insurance Mediation Act, shall be provided to the customer with details regarding when the information has been provided.

Information on the customer

Section 2 Where the customer is a natural person, the documentation shall contain information regarding the customer's first name and surname. Where the customer is a legal person, the documentation shall contain information regarding the customer's firm and the first name and surname of the person representing the legal person in conjunction with the insurance mediation.

The documentation shall contain information regarding the customer's wishes or requirements and, where appropriate, financial and other circumstances. The information shall be adapted to how complicated the insurance contract in question is.

Where the customer is known to the insurance intermediary, the intermediary does not need to obtain all of these customer details. In such a case, the insurance intermediary shall document the reasons for not obtaining the details.

General guidelines

Where there is a lasting customer relationship between the insurance intermediary and the customer, the customer details shall be updated regularly.

If the customer does not want to provide personal details, this should be stated in the documentation.

Information concerning the insurance mediation

Section 3 The documentation shall contain information regarding:

1. The time of the insurance mediation,
2. every piece of advice that has been provided to the customer and the reasons for each piece of advice, and
3. where the customer has been advised against a measure and the reasons for this.

The information regarding the reasons for each piece of advice that has been provided to the customer shall be adapted to how complicated the insurance contract in question is.

General guidelines

Where the customer chooses to take a measure despite being advised against it, this shall be stated in the documentation concerning the circumstance if the insurance intermediary is aware of it.

Documentation procedure

Section 4 Information pursuant to section 3 shall be documented during the mediation occasion and by the person mediating the insurance. Information pursuant to sections 1 and 2 may be documented prior to the mediation occasion and by someone other than the person mediating the insurance.

Section 5 The documentation pursuant to sections 1–3 may be carried out in a medium of choice on the condition that the documentation in respect of each mediation occasion is easy to search and identify and can be provided to the customer in such a form as set forth in section 7.

Release of documentation

Section 6 The documentation pursuant to sections 1–3 shall be provided to the customer on the mediation occasion or as soon as possible thereafter.

Section 7 The documentation pursuant to sections 1–3 shall be provided to the customer in a document or in any other legible and durable form that is available to the customer.

Archiving the documentation

Section 8 The documentation shall be archived in a secure manner and shall be easy to search and identify. It shall be saved as long as necessary taking into account the insurance period and the time within which claims for damages can be made.

Chapter 8. Complaints management

What constitutes a complaint

Section 1 *Complaint* refers to a customer or someone else who is directly affected by the insurance mediation lodging concrete dissatisfaction with an insurance intermediary concerning his or her actions in a particular case.

Instructions for complaints management

Section 2 An insurance intermediary shall have a policy and instructions for complaints management. Where the insurance mediator is a legal person, the policy and instructions shall be established by someone in the management of this legal person.

General guidelines

The purpose of the policy and instructions is to ensure that complaints are managed in a well-functioning and appropriate manner and in accordance with the applicable regulations.

The practical complaints management for a tied insurance intermediary should be able to be managed by the insurance company that the intermediary is associated with. This applies on the condition that the complaints management functions efficiently and in accordance with the set requirements.

Section 3 The policy shall describe how the complainant shall be addressed in the complaint matters. The instructions shall state the procedure for complaints management and the decision procedure in these matters. They shall also contain routines for information and follow-up of the complaint matters at the intermediary.

The policy and instructions shall be documented and disseminated to those affected by them. The instructions shall be reviewed regularly and revised as required. Through the internal control, it shall be ensured that the complaints management functions efficiently and in accordance with the policy and instructions.

Complaints manager

Section 4 An insurance intermediary shall have a well-functioning procedure for contacts with the complainant. The intermediary shall have a complaints manager whom customers and others affected by the insurance mediation can contact. The intermediary shall inform Finansinspektionen concerning who is the complaints manager.

Justification of decisions

Section 5 Where the insurance intermediary's decision in a complaint matter goes against the complainant, the intermediary shall inform the complainant of the grounds for the decision. Upon the complainant's request, the information shall be provided in a document or in any other legible and durable form that is available to the complainant.

Processing routines

Section 6 Chapter 5, section 6, second sentence of the Insurance Mediation Act states that the complaints management shall be efficient. Complaints shall also be managed with due care. They shall be responded to objectively and correctly and, upon the complainant's request, in a document or in any other legible and durable form that is available to the complainant.

Processing times

Section 7 Chapter 5, section 6, third sentence of the Insurance Mediation Act states that complaints shall be responded to as soon as possible. Where the insurance intermediary cannot respond to the complaint within 14 days from the day when the complaint was received, the intermediary shall inform the complainant within this time regarding the processing of the case.

General guidelines

The insurance intermediary shall take into account that it is in the interest of the complainant to receive a rapid reply in order to be able to seize evidential matter or make financial dispositions as a result of the complaint.

Dispute settlement

Section 8 The insurance intermediary shall inform the customer regarding the opportunity to have a dispute with the intermediary determined by the Swedish National Board for Consumer Complaints or a court of general jurisdiction. The information shall be provided not later than when the complaint is dismissed. Where the complainant has already received information regarding the grounds for the decision in a document or in any other legible and durable form which is available to the complainant, the intermediary shall inform the complainant regarding the right, upon request, to obtain information regarding the grounds for the decision in this manner.

Registration of complaints

Section 9 The insurance intermediary shall appropriately register all complaints presented.

Documentation and archiving of complaints

Section 10 The complaints matters shall be documented in such a manner that it is later possible to follow the processing of a complaint. The documentation shall be archived in a secure manner and shall be easy to search and identify. It shall be

saved as long as necessary taking into account the character of the matter and the insurance intermediary's or the complainant's need for documentation.

Chapter 9. Notification of branch offices and cross-border operations

Notifications of branch offices

Section 1 An insurance intermediary's notification, pursuant to Chapter 4, section 1, first paragraph of the Insurance Mediation Act, regarding his or her intention to establish a branch office in another country within the EEA, shall contain information regarding:

1. the insurance intermediary's first name and surname or firm,
2. the insurance intermediary's civic registration number or company registration number,
3. the insurance intermediary's postal address in Sweden,
4. where the insurance intermediary is a tied insurance intermediary, and in such a case, which insurance company or companies the intermediary is associated with,
5. in which country the branch office will be established,
6. the branch office's postal address, and
7. the branch office's representatives. (*FFFS 2007:23*)

Notification of cross-border operations

Section 2 An insurance intermediary's notification, pursuant to Chapter 4, section 2, first paragraph of the Insurance Mediation Act, regarding his or her intention to offer and provide services in another country within the EEA without establishing a branch office there, shall contain information regarding:

1. the insurance intermediary's first name and surname or firm,
2. the insurance intermediary's civic registration number or company registration number,
3. the insurance intermediary's postal address in Sweden, and
4. in which country the branch office activities will be conducted. (*FFFS 2007:23*)

Chapter 10. What the insurance company shall observe in connection with verification of tied insurance intermediaries

Verification of a natural person

Section 1 In the verification of a natural person which shall be done pursuant to Chapter 2, section 4, of the Insurance Mediation Act, the insurance company, in addition to that set forth in Chapter 3, section 3 of the Insurance Mediation Ordinance, shall request that the natural person provide a written assurance that he or she:

1. is not a minor, in bankruptcy or subject to a trading prohibition or has a guardian pursuant to Chapter 11, section 7 of the Parental Code,
2. does not have debts exceeding SEK 100,000 and which are under execution by Kronofogdemyndigheten (the Swedish Enforcement Authority),
3. during the past five years has not had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act,

4. has not been a member of the management of a legal person that during the past five years has had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act or has been a member of the management of such a legal person within six months prior to the revocation,
5. has the required knowledge pursuant to Chapter 2, and
6. has such practical experience as referred to in Chapter 2.

The insurance company may instead request that the natural person presents evidence of the circumstances set forth in the first paragraph. Evidence pursuant to the first paragraph, points 1–4 may not be older than three months.

That set forth in the first paragraph, point 6, does not apply where the natural person only parallel with his or her primary occupational business shall mediate insurances that supplement a product or service.

Those who do not provide a written assurance, presents evidence that is older than three months or presents evidence that shows that the requirements in the first paragraph have not been fulfilled, may not be a subject for notification by the insurance company for registration with the Swedish Companies Registration Office. (*FFFS 2007:23*)

Verification of a legal person

Verification of the legal person

Section 2 In the verification of a legal person which shall be done pursuant to Chapter 2, section 4 of the Insurance Mediation Act, the insurance company shall request that an authorised representative of the legal person provide a written assurance that:

1. the legal person is not bankrupt or in liquidation, and
2. the employees mediating insurances fulfil the set requirements.

The insurance company may instead request that the authorised representative present evidence of the circumstances set forth in the first paragraph. The evidence may not be older than three months.

Where the authorised representative does not provide a written assurance, presents evidence that is older than three months or presents evidence that shows that the requirements in the first paragraph have not been fulfilled, that legal person may not be a subject for notification by the insurance company for registration with the Swedish Companies Registration Office. (*FFFS 2007:23*)

Verification of the management of the legal person

Section 3 In the verification of the management of a legal person which shall be done pursuant to Chapter 2, section 4, of the Insurance Mediation Act, the insurance company, in addition to that set forth in Chapter 3, section 4 of the Insurance Mediation Ordinance, shall request that those who will be a member of the management or their deputies shall provide a written assurance that he or she:

1. is not a minor, in bankruptcy or subject to a trading prohibition or has a guardian pursuant to Chapter 11, section 7 of the Parental Code,

2. does not have debts exceeding SEK 100,000 and which are under execution by Kronofogdemyndigheten (the Swedish Enforcement Authority),
3. during the past five years has not had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act, and
4. has not been a member of the management of a legal person that during the past five years has had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act or has been a member of the management of such a legal person within six months prior to the revocation.

The insurance company may instead request that the person who will be a member of the management or his or her deputy present evidence of the circumstances set forth in the first paragraph. The evidence may not be older than three months.

In the verification that the management fulfils the requirements set forth in Chapter 3, sections 3–8, the insurance company, by requesting that those who are a member of the management or their deputies, shall present a written assurance or present evidence of the circumstances stated there, assure that the management includes persons who together fulfil these requirements.

Where someone who will be a member of the management or a deputy for someone in the management does not provide a written assurance, presents evidence that is older than three months or presents evidence that shows that the requirements in the first and third paragraphs have not been fulfilled, that legal person may not be notified for registration with the Swedish Companies Registration Office. (*FFFS 2007:23*)

Documentation and archiving of the verification

Section 4 The insurance company shall document the verification of a natural or legal person.

The documentation, in addition to that defined by Chapter 3, section 3, second paragraph and section 4, second paragraph of the Insurance Mediation Ordinance shall contain:

1. information regarding the person for which the verification refers,
2. information regarding the time of the verification, and
3. the assurance that has been provided or the evidence that has been presented.

The documentation shall be easy to search and identify. It shall be archived in a safe and durable manner. (*FFFS 2007:23*)

Chapter 11. What the legal person shall observe in conjunction with the verification of employees

Verification of employees

Section 1 In the verification of an employee which shall be done pursuant to Chapter 2, section 6, second paragraph of the Insurance Mediation Act, the legal person, in addition to that defined by Chapter 3, section 5 of the Insurance Mediation Ordinance, shall request that the employee provide a written assurance that he or she:

1. is not a minor, in bankruptcy, subject to a trading prohibition or has a guardian pursuant to Chapter 11, section 7 of the Parental Code,

2. does not have debts exceeding SEK 100,000 and which are under execution by Kronofogdemyndigheten (the Swedish Enforcement Authority),
3. during the past five years has not had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act,
4. has not been a member of the management of a legal person that during the past five years has had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act or has been a member of the management of such a legal person within six months prior to the revocation,
5. has the required knowledge pursuant to Chapter 2, and
6. has such practical experience as defined by Chapter 2.

The legal person may instead request that the employee present evidence of the circumstances set forth in the first paragraph. Evidence pursuant to the first paragraph, points 1–4 may not be older than three months.

That set forth in the first paragraph, point 6, does not apply where the employee only parallel with his or her primary occupational business will mediate insurances that supplement a product or service.

An employee who does not provide a written assurance, presents evidence that is older than three months or presents evidence that shows that the requirements in the first paragraph have not been fulfilled, may not be a subject application for a licence from Finansinspektionen or application for registration with the Swedish Companies Registration Office. (*FFFS 2007:23*)

Documentation and archiving of the verification

Section 2 The legal person shall document the verification of an employee.

The documentation shall contain:

1. information regarding the person for which the verification refers,
2. information regarding the time of the verification, and
3. the assurance that has been provided or the evidence that has been presented.

The documentation shall be easy to search and identify. It shall be archived in a safe and durable manner.

General guidelines

Examples of how a legal person can document a verification of an employee are contained in *Appendices 1 and 2*. (*FFFS 2007:23*)

Chapter 12. Notifications of changes

Changed conditions in conjunction with the establishment of a branch office or cross-border operations

Section 1 An insurance intermediary who has notified Finansinspektionen pursuant to Chapter 9, sections 1 or 2 shall immediately notify Finansinspektionen when any of the conditions which have been stated in the notification have changed.

Change of employees

Section 2 An insurance intermediary who is not a tied insurance intermediary and who is a legal person shall immediately notify Finansinspektionen regarding changes of which employees mediate insurances.

Change of management

Section 3 An insurance intermediary who is a legal person shall immediately notify Finansinspektionen regarding changes in the legal person's management.

Change of complaints manager

Section 4 An insurance intermediary shall immediately inform Finansinspektionen regarding changes of the complaints manager.

FFFS 2005:11

1. These regulations and general guidelines shall enter into force on 1 July 2005.
2. Upon entry into force of these regulations, the following shall be repealed:
 - Finansinspektionen's Regulations governing professional indemnity insurance for insurance brokers (FFFS 1992:36),
 - Finansinspektionen's Regulations governing formulation of a document concerning tasks of insurance brokers (FFFS 1995:33),
 - Finansinspektionen's General Guidelines (FFFS 1995:52) concerning good insurance broker practice,
 - Finansinspektionen's Regulations governing educational requirements for those operating as insurance brokers outside of Sweden (FFFS 1996:18),
 - Finansinspektionen's General Guidelines concerning educational requirements for insurance brokers (FFFS 1996:19),
 - Finansinspektionen's General Guidelines (FFFS 2002:23) regarding complaints management concerning financial services for consumer,
 - Finansinspektionen's Regulations governing reporting of commissions receivable for insurance broker companies (FFFS 2002:27).

These regulations and general guidelines continue to apply, however, for insurance brokers who conduct operations pursuant to the Insurance Brokers Act (1989:508) pursuant to point 3 of the transitory provisions for the Insurance Mediation Act.

FFFS 2007:23

1. These regulations and general guidelines shall enter into force on 1 November 2007.
2. With regard to Chapter 4, section 2 and Chapters 10 and 11, older regulations apply for:
 - those who have been granted a licence or registration for insurance mediation or fund unit mediation prior to the entry into force, and
 - in the entry into force pending employments or commissions which the managing director, deputy managing director, board member, deputy board member, partner

FFFS 2005:11

or other partner of a legal person who has been granted a licence or registration for insurance mediation or fund unit mediation prior to the entry into force.

3. With regard to an application for a licence for insurance mediation or fund unit mediation or an application for registration of insurance mediation which has been received by Finansinspektionen and the Swedish Companies Registration Office respectively, prior to the entry into force, older regulations apply.

*Appendix 1***Examples of verification of an employee who has provided the assurance****Documentation of verification of an employee**

The company's name: _____

The company registration number: _____

The employee's name: _____

The employee's civic registration number: _____

Time of the verification: _____

A. The assurance

I assure that I:

1. am not a minor, in bankruptcy or subject to a trading prohibition or have a guardian pursuant to Chapter 11, section 7 of the Parental Code,
2. do not have debts exceeding SEK 100,000 and which are under execution by Kronofogdemyndigheten (the Swedish Enforcement Authority),
3. during the past five years have not had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act (2005:405),
4. have not been a member of the management of a legal person that during the past five years has had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act or have been a member of the management of such a legal person within six months prior to the revocation,
5. possess the required knowledge pursuant to Chapter 2 of Finansinspektionen's Regulations and General Guidelines governing insurance mediation (FFFS 2005:11) and
6. have such practical experience as referred to in Chapter 2, FFFS 2005:11.

Date_____
Signature of the employee**B. Extract from the criminal records registry**

The employee has presented such an extract as referred to in section 22a of the Criminal Register Ordinance (1999:1134). (Please note that the company is not allowed to keep the extract.)

Date_____
Signature of an authorised representative

(FFFS 2007:23)

Appendix 2

Examples of verification of an employee who has presented certificates

Documentation of verification of an employee

The company's name: _____

The company registration number: _____

The employee's name: _____

The employee's civic registration number: _____

Time of the verification: _____

A. Certificates

1. Civic registration certificate from Skatteverket (the Swedish National Tax Board)
2. Certificate from the Swedish Companies Registration Office that the employee is not bankrupt
3. Certificate from the Swedish Companies Registration Office that the employee is not subject to a trading prohibition
4. Certificate from the Public Trustee that the employee does not have a guardian pursuant to Chapter 11, section 7 of the Parental Code
5. Certificate from Finansinspektionen that the employee during the past five years has not had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act
6. Certificate from Finansinspektionen that the employee has not been a member of the management of a legal person that during the past five years has had a licence or a registration revoked pursuant to Chapter 8, section 1 of the Insurance Mediation Act or has been a member of the management of such a legal person within six months prior to the revocation
7. A certificate from Kronofogdemyndigheten (the Swedish Enforcement Authority) that the employee does not have debts which exceed SEK 100,000 and which are executed there
8. Proof of education
9. Proof of service

(Please note that the certificates shall be appended to the documentation.)

B. Extract from the debts obligations register

The employee has presented such an extract as referred to in section 22a of the Debt Obligations Register Ordinance (1999:1134). (Please note that the company is not allowed to keep the extract.)

Date

Signature of an authorised representative

(FFFS 2007:23)
