

BANK OF GREECE

EUROSYSTEM

THE EXECUTIVE COMMITTEE

EXECUTIVE COMMITTEE ACT No. 86/05.04.2016

Subject: Code of Conduct for (Re)insurance Intermediaries

THE EXECUTIVE COMMITTEE OF THE BANK OF GREECE, having regard to:

- (a) Article 55A of the Statute of the Bank of Greece, as currently in force;
- (b) Law 4364/2016 (Government Gazette A 13) “Adaptation of Greek legislation to 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); to Articles 2 and 8 of Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014 amending Directives 2003/71/EC and 2009/138/EC and Regulations (EC) No 1060/2009, (EU) No 1094/2010 and (EU) No 1095/2010 in respect of the powers of the European Supervisory Authority (European Insurance and Occupational Pensions Authority, hereinafter EIOPA) and the European Supervisory Authority (European Securities and Markets Authority); as well as to Article 4 of Directive 2011/89/EU of the European Parliament and of the Council of 16 November 2011 on the supplementary supervision of financial entities in a financial conglomerate, and relevant provisions of private insurance legislation, and other provisions”, in particular Article 3 of that Law;
- (c) Law 1569/1985 (Government Gazette A 183) “Intermediation in private insurance contracts, establishment of a body of motor accident experts, operation of the national insurance bureau, and other provisions”, as currently in force, in particular Articles 21 para. 1 and 21A thereof;
- (d) Law 2496/1997 (Government Gazette A 87) “Insurance contract, amendments to private insurance legislation, and other provisions”;
- (e) Presidential Decree 190/2006 (Government Gazette A 196) “Adaptation of Greek legislation to Directive 2002/92/EC of the European Parliament and of the Council on insurance mediation (OJ L 9/15.1.2003);
- (f) Decision of the Deputy Minister of Development K3-8010/2007 (Government Gazette B 1600) “Determination of professional certification requirements and examinations for insurance intermediaries”;

- (g) Decision of the Credit and Insurance Committee of the Bank of Greece 40/6/25.05.2012 (Government Gazette B 1780) “Amendments to Decision No K3-8010/08.08.2007 (Government Gazette B 1600/17.08.2000) of the Minister of Development regarding the registration of insurance advisors coordinators with the Professional Chamber”;
- (h) Executive Committee Act 16/21.05.2013 (Government Gazette B 1257) “Training and professional certification of (re)insurance intermediaries”, and Executive Committee Act 46/04.12.2014 (Government Gazette B 3510) “Amendments to provisions of Executive Committee Act 16/21.05.2013 (Government Gazette B 1257) regarding the professional certification of (re)insurance intermediaries”;
- (i) Executive Committee Act 31/30.09.2013 (Government Gazette B 2556) “Code of Conduct for (Re)insurance Intermediaries”;
- (j) Executive Committee Act 45/21.11.2014 (Government Gazette B 3350) “Re-training and re-certification of (re)insurance intermediaries”; and
- (k) the fact that the provisions hereof shall not imply any expenditure for the State budget;

DECIDES

to lay down a framework of principles and rules of professional conduct for insurance and reinsurance intermediaries in respect of their interactions with consumers of insurance products, insurance and reinsurance undertakings and with each other, as follows:

CHAPTER I

GENERAL PROVISIONS

Article 1

Scope

The provisions of this Act shall apply to:

- (a) all natural and legal persons pursuing the business of (re)insurance mediation in Greece in accordance with Article 2 paras. 3 and 7 of Presidential Decree 190/2006, as currently in force, irrespective of their country of origin or establishment. Where appropriate, specific reference is made to Law 1569/1985, as currently in force;
- (b) the Undertakings referred to in Article 2 para. 1b hereof, where they engage in direct sales, in which case they are required to comply, in particular, with Article 8 paras. 5 to 8 of this Act.

Article 2

Purpose

1. The purpose of this Act is to establish a framework of rules and principles for the sound conduct of (re)insurance mediation and to ensure transparency in the interactions of the persons referred to in Article 1 hereof with:

- (a) policyholders, insured persons and insurance beneficiaries;
- (b) insurance undertakings which are duly authorised to conduct business in Greece in accordance with Article 3 paras. 1, 3 and 11 of Law 4364/2016, insurance undertakings having their registered office in another Member State of the EU/EEA in respect of the business they conduct in Greece under the right of establishment or freedom to provide services (hereinafter together referred to as “Undertakings”) and (re)insurance undertakings duly authorised to pursue the business of reinsurance in Greece in accordance with Article 3 paras. 4, 6 and 11 of the same Law; and
- (c) insurance and reinsurance mediation firms.

2. More specifically, this Act aims to introduce standards for the conduct of, and the quality of services provided by, the persons referred to in Article 1 hereof and to establish rules to govern their activities within the framework of applicable legislative and regulatory provisions, with a view to ensuring that such persons:

- (a) act honestly, lawfully and with due diligence in their dealings with policyholders, insured persons and insurance beneficiaries, as well as with Undertakings, reinsurance undertakings or (re)insurance mediation firms with which they have a contract or business relationship;
- (b) provide their services to all policyholders, insured persons and insurance beneficiaries in good faith, objectively and fairly;
- (c) adopt and implement sound information practices with a view to ensuring high quality of service;
- (d) deal in a timely manner with any complaints or disputes that may arise from the conduct of their activities;
- (e) safeguard healthy competition between the persons referred to in Article 1 hereof, to the extent relevant to insurance activities between Undertakings and reinsurance undertakings.

Article 3

Definitions

1. “Reinsurance” means the activity defined in Article 3 para. 7 of Law 4364/2016, as currently in force.

2. “Reinsurance mediation” means the activity defined in Article 2 para. 4 of Presidential Decree 190/2006, as currently in force.
3. “Reinsurance Intermediaries” means any natural and legal persons pursuing the activity referred to in Article 2 para. 4 of Presidential Decree 190/2006, as currently in force.
4. “Insurance” means the insurance classes listed in Articles 4 and 5 of Law 4364/2016, as currently in force.
5. “Insurance mediation” means the activity specified in Article 2 paras. 3 and 7 of Presidential Decree 190/2006, as currently in force.
6. “Insurance Intermediaries” means any natural and legal persons pursuing the activity referred to in Article 2 paras. 3 and 7 of Presidential Decree 190/2006, as currently in force.
7. “Premium Collection Agent” means, for the purposes of this Act, any Insurance Intermediary falling under the scope of Article 146 para. 1 of Law 4364/2016, as currently in force.
8. “Customer” means the policyholder, the insured person and the insurance beneficiary under the applicable legislation, as well as any person that, in any manner whatsoever, is the addressee of (re)insurance product promotion.
9. “Conflict of interest” refers to one or more situations including, but not limited to, the following:
 - (a) the Insurance Intermediary is likely to make a financial gain or avoid a loss, at the expense of the Customer;
 - (b) the Insurance Intermediary has an interest in the conclusion or outcome of the insurance contract that is contrary to the interest of the Customer;
 - (c) the Insurance Intermediary has a financial or other incentive to favour the interests of one Customer over another’s; and
 - (d) the Insurance Intermediary receives or will receive a consideration, in the form of money, goods or services, over and above the usual fee or remuneration, from a person other than the Customer in relation to insurance provided to the Customer.
10. “Incremental Commission” means any direct or indirect acquisition costs, the amount of which is directly related to the premium or commission without being a part of the premium.
11. “Services” means the services specified in Article 2 of Presidential Decree 190/2006.

CHAPTER II
RULES OF CONDUCT

Article 4

General principles and rules of conduct

1. In carrying out their activities, (Re)insurance Intermediaries are expected to:
 - (a) act honestly, lawfully and with due diligence in their dealings with Customers, Undertakings and reinsurance undertakings;
 - (b) provide their services to their Customers loyally, objectively and fairly;
 - (c) develop, adopt and implement sound information practices with a view to ensuring high quality of service;
 - (d) promptly respond to Customer complaints;
 - (e) adopt effective conflict management measures;
 - (f) safeguard healthy competition among (Re)insurance Intermediaries; and
 - (g) properly organise the information and data they use, which they shall maintain constantly and for a sufficient period of time in order to carry out the activity of (re)insurance mediation and, as a minimum, in accordance with Article 6 hereof.
2. (Re)insurance Intermediaries may not contractually limit their liability arising from this Act.
3. In the particular case of (Re)insurance Intermediaries that are legal persons, compliance with the provisions of this Act in its entirety will be the responsibility of each and every member of their managements.
4. (Re)insurance Intermediaries are required to fulfill the obligations arising hereunder not only pre-contractually, but also on every occasion of their interaction with a Customer, either during the term or at the end of the insurance contract, and by all means ahead of any change in individual terms and conditions of the contract, a change of insurance product or a change of Undertaking.
5. (Re)insurance Intermediaries may only distribute products of Undertakings and reinsurance undertakings that are duly authorised to conduct business in Greece.
6. (Re)insurance Intermediaries may only collaborate with other (Re)insurance Intermediaries entered in a register, as referred to in Directive 2002/92/EC, of any country of the European

Union or of the European Economic Area or a similar register of a third (non-EU/EEA) country.

7. Insurance Intermediaries are prohibited from selling investment-linked products (Insurance Class III, Article 5 of Law 4364/2016) unless they have obtained the specific certification envisaged in the relevant decision of the Bank of Greece, as applicable from time to time.
8. Any personal information, sensitive personal data as well as any data relating to the financial condition and property of the Customer, which may come to the knowledge and possession of the Insurance Intermediary and its employees, may only be used for the purposes of the services for which they are provided, without prejudice to any legal disclosure requirements under specific legislative provisions.
9. A (Re)insurance Intermediary shall carry out its professional activities without offending the honour and reputation of fellow (Re)insurance Intermediaries and without casting doubt on their professional competence or reliability. In the event of a dispute between fellow (Re)insurance Intermediaries, these shall make every possible effort to settle the dispute, either directly or through their professional associations.
10. (Re)insurance Intermediaries shall refrain from any action that would discredit private insurance as an institution and shall seek to promote public confidence in this institution.

Article 5

Standards of information and professional conduct

1. The (Re)insurance Intermediary shall ensure that the information provided to the Customer in the context of the supply of services:
 - (a) is timely, complete, correct, sufficient and relevant;
 - (b) is provided by a person that is duly qualified and has any relevant certification required by law; and
 - (c) takes due consideration of the Customer's specific investment choices and insurance needs, financial capacity as represented and stated by the Customer, and ability to understand the specific terms and conditions of, and risks associated with, the proposed insurance product.
2. The Insurance Intermediary shall take all appropriate action to comply with the information requirement under Article 11 of Presidential Decree 190/2006. In addition, and subject to the stipulations of Article 12 of Presidential Decree 190/2006, the Insurance Intermediary shall inform the Customer of whether his/her certification allows him/her to sell insurance products with investment elements.

3. In order to comply with the requirements of the preceding paragraph, Insurance Intermediaries shall develop electronic or printed information material tailored to the Customer's needs, other than any advertising or information material developed by the Undertakings, i.e. a separate body of texts in a different colour, marked with the company name and/or trade name of the Insurance Intermediary. The documents referred to in the preceding paragraph shall be titled, in large bold print, "MANDATORY DISCLOSURE OF INFORMATION BY YOUR INSURANCE INTERMEDIARY UNDER ARTICLE 11 OF PRESIDENTIAL DECREE 190/2006".

4. Before entering into any contract with a Customer, the Insurance Intermediary shall request the Customer to provide detailed information, which the Insurance Intermediary shall write down in a separate form (the "CUSTOMER NEEDS FORM"), enabling to specify the Customer's requirements and needs, including any investment needs, and willingness to assume the associated risks. Such form shall contain questions adapted to the insurance class and complexity of the product to be sold. The Insurance Intermediary shall in particular gather information helping to assess the Customer's ability to understand the terms and conditions of the contract being negotiated and the associated risks, so that the Insurance Intermediary can advise the Customer accordingly.

5. On the basis of the information provided by the Customer in writing, the Insurance Intermediary shall propose, from among the Undertaking's available products, the product that best meets the needs and interests of the Customer and shall provide the reasons underlying such proposal and advice on the insurance product in question. These clarifications will vary according to the complexity of the proposed insurance contract.

6. The Insurance Intermediary shall not urge the Customer to redeem or terminate an insurance contract for reasons unrelated to the Customer's interests and needs.

7. Insurance Intermediaries are required to promptly implement the instructions and guidance provided by the Undertakings regarding the (re)insurance product description and explanation to the Customer and shall make use of all of the printed material supplied to them by the Undertakings. Also, they shall deliver such material to the Customer upon written acknowledgment of receipt, a copy of which shall be electronically transmitted to the Undertaking.

8. An Insurance Intermediary shall:

(a) gauge and analyse Customers' needs and propose to them appropriate insurance contracts, taking into account their specific investment choices and insurance needs, their financial capacity as indicated by the Customers themselves and their ability to understand the specific terms and conditions of, and the risks associated with, any proposed products;

- (b) explain the terms and conditions of the contract they are recommending, advise Customers of their rights and obligations and ensure that the information supplied to Customers is timely, complete, correct, sufficient and relevant;
 - (c) advise Customers of the consequences of an early termination, cancellation or redemption of the insurance policy, of any exemption from insurance coverage, as well as of the consequences of a failure to pay the premiums in a timely manner;
 - (d) advise Customers of their rights of rejection, rescission or termination in respect of their contract and provide them with the relevant forms upon acknowledgment of receipt; and
 - (e) notify Customers in the event that the Insurance Intermediary ceases to practise insurance mediation.
9. Insurance Intermediaries are prohibited from engaging in unfair competition or unfair, unlawful or misleading acts and practices, including, but not limited to, cases where the Insurance Intermediary:
- (a) misrepresents the applicable charges and terms of the insurance policy;
 - (b) promises coverage that is not included in the product being promoted or conceals any risks and/or costs to be borne by the Customer;
 - (c) knowingly makes, reproduces or disseminates any statements and rumours that are not supported by official data releases and relate to the financial condition of any Undertaking and/or the competence of, and overall quality of services provided by, fellow Insurance Intermediaries;
 - (d) offers discounts or special benefits to induce entry into the insurance policy;
 - (e) advertises and offers discounts and/or benefits which are not in conformity with the applicable charges and terms of insurance policies;
 - (f) discriminates between customers with the same risk profile;
 - (g) falsifies, alters or in any manner whatsoever interferes with the form or content of any documentation related to the insurance contract, including applications, insurance policies and receipts of premium paid;
 - (h) receives any premium without taking action to ensure that an insurance contract is concluded; and
 - (i) delivers a false insurance policy to the Customer.

CHAPTER III

ORGANISATION AND SUPPORT OF (RE)INSURANCE MEDIATION

Article 6

Organisation of information and transaction data

1. Taking into account the specific characteristics of the particular category for which they maintain registration with the Professional Chamber, as well as the scope and complexity of the contracts they mediate, (Re)insurance Intermediaries shall have accounting and IT structures in place, which shall be sufficiently staffed and appropriate for the volume and type of their business.
2. The requirement of the preceding paragraph is specified as follows. A (Re)insurance Intermediary must:
 - (a) keep a record with the premium collection checklists supplied by the Undertakings and any evidence of payment of the amounts shown therein;
 - (b) have available for distribution all Customer information material supplied by the Undertakings and reinsurance undertakings they work with;
 - (c) store any documentation provided by the Undertakings and reinsurance undertakings they work with and use it for its intended purpose; and
 - (d) keep the signed receipts referred to in Article 8 para. 1(b) hereof.

Article 7

Other organisational standards

1. A (re)insurance Intermediary which is a (re)insurance broker within the meaning of Article 15A of Law 1569/1985, as currently in force, shall put in place, by a written decision of its senior management, a business policy, which shall, as a minimum, safeguard the Insurance Intermediary's independence from other interests, in particular those of any Undertakings and reinsurance undertakings. Such decision shall be made available to the Bank of Greece upon request.
2. (Re)insurance Intermediaries shall ensure that their employees and business associates who are directly involved in the business of Insurance Mediation receive regular and relevant training and at least attend the mandatory refresher/re-certification courses in accordance with the relevant decision of the Bank of Greece as applicable from time to time.

CHAPTER IV

Article 8

Premium Collection Agents

1. In the event that the Undertakings authorise and instruct any natural or legal persons to collect premiums on their behalf from Customers, and where the collection of premiums cannot be evidenced by other equivalent means (such as a bank deposit or postal payment slip), the Premium Collection Agents shall provide the Customer with:

(a) the official receipt issued by the Company for the amounts received; or

(b) a signed receipt, indicating the date of issuance of the receipt and of collection of the premium, the full tax and professional registration details of the person collecting the premium, the name of the Undertaking on behalf of which collection is made, the Customer's full identification details, the amount of the premium paid by the Customer, as well as a short description of the contract or the insurance coverage in respect of which the premium has been paid.

All of the aforementioned documents shall be issued in three counterparts, of which one shall be delivered to the Customer, the second shall be delivered to the Undertaking and the third shall be kept in record by the Premium Collection Agent.

2. The Premium Collection Agent shall transfer the collected Premium amounts to the Undertaking in accordance with Article 146 para. 1 of Law 4364/2016.

3. A Premium Collection Agent may not sub-authorise any third parties to collect any premiums without the Undertaking's written consent.

CHAPTER V

ADMINISTRATIVE SANCTIONS

Article 9

Sanctions

For any infringement of this Act, the Bank of Greece will impose sanctions on the non-compliant Insurance Intermediary or Premium Collection Agent, in accordance with Article 256 of Law 4364/2016.

CHAPTER VI

TRANSITIONAL AND FINAL PROVISIONS

Article 10

Entry into force - Final provisions

This Act shall enter into force as from its publication in the Government Gazette.

As from the publication hereof in the Government Gazette, Executive Committee Act 31/2013 (Government Gazette B 2556) shall be repealed.

Any references to Articles 10 or 12 of Presidential Decree 298/1986 shall be deemed as references to Article 9 hereof.

This Act shall be published in the Government Gazette.

The Deputy Governor The Deputy Governor The Governor

Theodoros Mitrakos

Iannis (John) Mourmouras

Yannis Stournaras