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DENMARK**

European Commission
DG Internal Market and Services
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**MINISTER FOR ECONOMIC
AND BUSINESS AFFAIRS**

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**Consultation on the Review of the Insurance Mediation Directive
(IMD)**

To the European Commission

The Danish government welcomes the initiative by the Commission to conduct a review of the Insurance Mediation Directive (IMD) and perceives it as an important initiative in the work of member states to ensure a high level of consumer protection.

The Danish government would propose that the Commission keeps the IMD as a minimum harmonisation directive thereby making it possible for member states to introduce or keep stricter national requirements in order to ensure an even higher level of consumer protection.

The Danish government emphasizes the value added of a minimum harmonisation directive. In Denmark an important example of this is the Danish prohibition on receiving commissions for brokers, as contained in the Danish Act on Insurance Mediation. The prohibition is intended to ensure that brokers act independently from the insurance company and thereby can provide objective advice to consumers. The consumers pay the broker directly for the advice received.

The experience gained in Denmark regarding the prohibition is that it reduces conflicts of interest and enhances the transparency of the remuneration structure.

Further, the Danish government would like to underline that the Danish prohibition is not an obstacle to the internal market.

In order to ensure that consumers can receive insurance cover by a foreign insurance company, a broker is allowed to receive commission from insurance companies pursuing cross-border activities in Denmark. When this is the case, the insurance broker is obliged to forward the commission received to the consumer.

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The Danish government could also accept a general prohibition on commissions in the EU with regards to insurance brokers. However, the Danish government assumes that this will not be obtainable due to the differences of the European markets of insurance mediation. Therefore the Danish government urges the Commission to keep the IMD as a minimum harmonisation directive, in order to allow member states to have stricter rules to the benefit of the consumer.

Yours sincerely,


Brian Mikkelsen