

The position of the consumer in the field of insurance distribution in the digital age:

Valid regulation of the Czech Republic in the light of the basic rules of capital markets

Abstract

This work deals with the position of the consumer in the field of insurance distribution in the digital age. The main research question is the position of the consumer in insurance distribution. Specifically, the work describes what influences the consumer's position and whether this position is adequate for insurance distribution in the digital world. The pandemic did not initiate the transformation into the digital environment, but only accelerated it. Individual insurance companies have been trying to sell through digital channels even before the pandemic. However, this was not always successful. In the past, these shortcomings were naturally associated with the traditional "face-to-face" sales process. As the largest shortcomings in the past were associated with investment life insurance, this work also attempts to answer the secondary question of how the consumer fares compared to the regulation of business in capital markets.

The structure of the work is divided into four main chapters, which are logically arranged from the general concept of the consumer to the most exposed area of the environment. The first chapter, as an introduction, describes the concept of the consumer and the concepts governing their position in the financial market. The second chapter focuses on the general definition of the consumer in the new Civil Code and the Consumer Protection Act, and further describes the differences that exist in the law regarding financial market products. Subsequently, the chapter closely examines the special regulation of the consumer in the Insurance Distribution Directive (IDD) and the Consumer Credit Directive (CCD). Finally, the chapter focuses on the relevant supervisory benchmarks set by EIOPA and their national transposition through the Czech National Bank (CNB).

The pivotal part of the work is then formed by the third chapter. It describes in detail the individual elements that influence the consumer's position in the financial market. In particular, it concerns the regulation of the insurance market and the necessity of obtaining permission from the CNB, the appropriate expertise and credibility of distributors, and the rules of conduct with the customer before and during the conclusion of the contract, as well as throughout its duration.

The fourth chapter initially focuses on the specifics of group insurance contracts, specifically those that function based on "linking" to another, often banking, product. In its second part, the chapter focuses on the specifics of life insurance, whose regulation is the strictest and goes beyond the scope of the IDD directive itself at the European level.

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