IVASS
ISTITUTO PER LA VIGILANZA SULLE ASSICURAZIONI

# Insurance beyond traditional distribution channels

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Under the coordination of: Annamaria Damiani and Enrico Coratti

Edited by: Micaela Melis, Maria Cristina Giustiniani, Rita Greco, Antonella Brusco, Adele Lucia Florenzano, Roberta Mura, Luigi Chichierchia

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# 1. Executive summary

In recent years, new players have entered the insurance distribution market, such as utilities (which provide essential services such as electricity, gas and telecommunications), large distribution chains such as supermarkets, and mobility operators. These entities are registered in the RUI (Register of Insurance and Reinsurance Intermediaries) directly or through companies specifically set up.

The insurance products offered consist of non-life policies, sometimes linked to the main service but more often independent of it, mainly relating to home, accident, pet and travel cover.

The contracts have standardised features and a generally low premium.

They are mainly distributed via call centres and digital channels, while only to a more limited extent are they distributed via physical points of sale.

IVASS monitors the gradual entry of these new distributors into the insurance market and has conducted a survey into the products offered and the methods of sale to the public, in order to verify compliance with the standards of fairness and transparency for policyholder protection.

The survey covered a sample of 7 distributors, of which 5 operate in utilities, 1 in mobility and 1 in large-scale retail, and 17 partner insurance companies, of which 9 are Italian and 8 are foreign, for a total volume of collected premiums of approximately €98.5 million in 2025.

The survey concerned in particular:

- the characteristics of the policies and their value for money, taking into account the contractual conditions (cover, exclusions, limitations, deductibles and waiting periods);
- the clarity of the information provided to customers about the purchase of an insurance product together with another good or service;
- the fairness and transparency of sales practices.

In addition, IVASS asked the insurance companies and intermediaries concerned for information on:

- trends in turnover by product
- product features

- operating model and sales channels
- questionnaires for assessing the adequacy of policies with respect to customer needs (so-called demand and needs)
- telephone scripts followed by operators in telephone sales
- remuneration structure for distributors
- arrangements for paying premiums
- main quantitative indicators relating to sales performance, handling of claims and complaints.

The checks revealed room for improvement in terms of product quality, transparency of sales processes and pre-contractual information, as well as the correct identification of customers' insurance needs.

IVASS therefore requested the companies and the main distributors involved to review their products and processes in order to strengthen consumer protection safeguards.

Operators have taken corrective measures to improve organisational safeguards, operational standards and the quality of information provided to customers. In some cases, companies have revised products to increase their value for policyholders by extending cover, increasing limits, expanding assistance services and reducing deductibles and/or waiting periods. The questionnaires for identifying customers' insurance needs were also improved, telephone scripts were revised and checks on the activities of sale staff were strengthened.

The effects of the remedial action taken require an observation period; IVASS continues to monitor the phenomenon, in order to assess its effectiveness and impact on policyholder protection over time.

# 2. Insurance products

The insurance products offered by these non-traditional distributors are numerous and diverse. The report provides a general overview of the main types and characteristics.

Insurance products are largely independent of the main service offered; in other words, they are not designed to protect the goods or services in question, and are usually created specifically by insurers for the customers of a particular distributor and are not marketed through other channels, such as agencies, brokers or banks.

These are mostly policies covering risks related to the home and household, accidents (including those related to winter sports) and illness, as well as travel policies and policies for pets.One of the operators in the sample mainly offers motor third party liability coverage or assistance following motorway accidents.

In large-scale retail, insurance products were also identified whose subscription is linked to loyalty programmes connected to spending and the consequent issuance of a receipt: these are short-term non-life products that can be activated by the customer through access to a personal area.

Alongside the main covers, the policies include assistance services, for example:

- for pet policies: dog or cat sitter
- for home policies: technical interventions for faults in systems or household appliances, hotel accommodation in the event that the home is uninhabitable
- for accident policies: home services, delivery of medicines
- for travel policies: assistance while travelling or on holiday, medical advice by telephone

The policies are mainly annual with tacit renewal and may include waiting periods[1] for cover, which can be significant (up to 60 days).

The premium, which is generally a small amount, can often be paid in monthly instalments, in some cases with additional charges, and can be paid by direct debit from a bank or postal current account, or by postal order or credit card, especially for purchases made online, or even in a bill with a separate indication of the policy cost item.

The contracts also include exclusions and limitations that may reduce the effectiveness of the cover and affect the end customer's overall assessment of the product.

1 That is, periods in which the insurance cover is not provided by the company.

# 3. Sales channels and distribution arrangements

The distribution of insurance products by non-traditional operators in the sample examined takes place mainly through call centres and digital platforms.

Call centres, which operate in inbound[2] and outbound[3] mode, play a central role, using operators in the product presentation and customer support phases throughout the entire purchase process.

At the same time, there is the use of digital channels, such as websites and applications, which allow the user to access the insurance offer directly and independently. In such environments, the customer can, in some cases, proceed to take out the policy after registering in a reserved area, benefiting, during the purchase process, from forms of information support provided both through telephone contact with operators and through automated tools, such as virtual assistants.

Alongside the remote channels, there are also physical points of sale throughout the country, such as franchise or owner-operator shops, where the insurance offer is made through direct interaction with the staff responsible for selling the main good or service.

In general, the insurance proposal can be made to the customer either at the same time as the sale of the main good or service, or at a later date, for example a few days after the conclusion of a contract for the supply of energy or telecommunications services.

The contract is concluded in different ways depending on the sales channel. In the case of sales via call centres or digital channels, the conclusion of the contract does not always require the customer to sign in the traditional written form; some operators, after presenting the product and verifying its adequacy, require the contract to be signed by means of an advanced electronic signature. In physical points of sale, on the other hand, the contract is signed in the traditional way.

## 3.1 Suitability questionnaires

During the checks, it emerged that the questionnaires used to assess customers' insurance needs were, in many cases, overly brief and lacking in detail, as they did not adequately highlight essential elements such as exclusions, limitations,

2 Call centre model in which operators receive incoming calls from customers.

3 Call centre model in which operators make outbound calls to customers or potential customers.

insurability requirements and waiting periods; they also left it to the customer to assess the suitability of the product for their needs.

In this context, IVASS requested a comprehensive review of the questionnaires in order to improve their clarity, transparency and information capacity.

In response to these findings, the operators initiated specific corrective actions by revising the *Demand & Needs* questionnaires, through, among other things:

- the inclusion of questions relating to relevant aspects of insurance coverage including insurability conditions, maximum amounts of cover, main exclusions, limitations and waiting periods;
- the rewording of questions that required assessments of suitability improperly delegated to users.

IVASS continues its review and monitoring activities, which are still ongoing.

## 3.2 Telephone scripts

During the checks, it emerged that the scripts used for sales via the telephone channel were in some cases aimed at merely collecting confirmations from the customer. Furthermore, an adequate explanation of the essential elements of the products, such as exclusions, limitations and waiting periods, was not guaranteed, with a generic reference to the information set to be consulted after the phone call.

In this context, IVASS requested a comprehensive review of the sales scripts.

In response to these findings, the operators revised the scripts, making the main product information elements more explicit to enable the user to make informed purchasing decisions.

IVASS is continuing its review and monitoring activities, which are still ongoing, in particular with regard to the clear formulation of questions.

## 3.3 Premium performance, claims and complaints handling

The analysis also covered trends in premiums and the handling of claims and complaints lodged by consumers.

► ***Premium income***

In 2025, the business volume of the sample examined was approximately €98.5 million in premiums.

The following table shows the breakdown by distributor and type of products offered.

**Total premiums collected in 2025**

| Intermediary | Products offered | Premiums (€) |
|---|---|---|
| Distributor 1 | MTPL, roadside assistance, travel, sports, accidents | 68,928,571 |
| Distributor 2 | Home | 7,985,000 |
| Distributor 3 | Pets, travel, sports, home and household | 8,626,514 |
| Distributor 4 | Home and household, accidents and travel | 7,391,892 |
| Distributor 5 | Home | 4,375,290 |
| Distributor 6 | Pets, travel, home, sports, health, accidents, MTPL, credit life | 1,011,938 |
| Distributor 7 | Home and household, accidents, travel and pets | 147,454 |

**Total 98,466,659 €**

► *Management of claims*

The handling of claims is generally entrusted to the insurance company's claims settlement offices, and in some cases, to external companies on the basis of specific agreements (so-called outsourcing).

The distributors' websites provide the contact details available to policyholders and the methods for reporting a claim (email, registered letter with acknowledgement of receipt); the opening of claims and the exchange of information with the policyholder can also take place on dedicated platforms.

For the sample examined, the average ratio of claims settled to premiums collected in 2025 was around 20%.

IVASS pays particular attention to the values of this indicator, since low levels may indicate limited effective operation of the insurance coverage. This may be due to the presence of contractual exclusions or limitations that reduce the number of cases eligible for compensation, but also to a lack of awareness on the part of the customer that they have taken out a policy together with the main product or service.

Similar attention is paid to the incidence of claims closed without payment, i.e. claims for which no compensation or indemnity is granted. A high percentage of such claims may in fact be an indicator of particularly restrictive settlement policies or the presence of exclusion or limitation clauses in the coverage.

The main causes of rejection identified include: the inapplicability of the cover, the occurrence of events not covered or expressly excluded by the policy, the failure to submit or incomplete submission of the documentation necessary for the settlement of the claim, as well as the application of deductibles and excesses.

- ***Handling of complaints***

For the sample examined, complaints are mainly handled by the companies, which have generally established a specific organisational function. In some cases, however, the agreements in place provide for the joint handling of complaints by the company and the relevant intermediary.

The distributors in the sample with more experience in the insurance market are generally more structured and use IT tools (such as dashboards) to collect data and monitor the trends in complaints.

In general, the complaints received mostly concern issues of poor transparency and lack of information on the contractual conditions by the distributor, customers' lack of awareness of the purchase of the policy, and whether the policy is compulsory or optional.

Complaints relating to claims mainly concern the failure to manage the claim or the work carried out by the appointed technician.

# 4. Good practices for operators

The progressive simplification of the sales processes for insurance products offered by non-traditional operators, facilitated by the widespread use of digital channels, can result in greater accessibility of the insurance offer for customers. At the same time, the distribution methods adopted require careful monitoring of the transparency of sales processes, the quality of the information provided in the pre-contractual phase and the correct identification of insurance needs, in order to ensure informed choices consistent with insurance coverage needs.

In light of the investigations carried out, constant monitoring of the distribution and information processes is necessary in order to ensure that the offer is fully consistent with the best interests of customers. For simplified and highly digitalised distribution models, focused on distance selling and speed of choice, the transparency of the sales conditions, the comprehensibility of the products and the effective fulfilment of customers' insurance needs become even more important.

Below are some guidelines and good practices for distributors and undertakings.

**1. Clarity and completeness of information in the sales process**

It is important that pre-contractual information is provided in a simple, clear and easily accessible manner. In particular, elements that affect the extent of the insurance cover, such as exclusions, limitations, deductibles and waiting periods, must be highlighted to enable the customer to make an informed assessment of the product.

This requirement is particularly important in distance selling, via call centres and digital channels, where it is necessary to ensure that the customer is adequately informed about the purchase of an insurance cover and about the main features and conditions of the product.

Adequate initial training and constant updating of the distribution network are essential to ensure the accuracy and clarity of the information provided to customers.

**2. Distinction between insurance product and main service**

Providing clear information, both at the offer stage and during the contractual relationship, regarding the distinction between the insurance policy and any associated good or service helps prevent ambiguity and highlight the autonomy of the insurance contract.

**3. Consistency with customer needs (*target market*)**

The adoption of structured and robust processes for identifying customers' insurance needs makes it possible to focus on the concrete assessment of the

customer's needs, to overcome standardised logic in the insurance proposal, and to ensure consistency between the solutions proposed and the customer's needs.

**4. Product quality and value for the customer**

It is essential that products have real value for policyholders, in terms of their practical usefulness and ability to meet protection needs. The overall characteristics of the coverage (guarantees, maximum amounts of cover and contractual limitations or exclusions), which affect the actual usability of the insurance protection, must therefore be correctly represented.

The analysis of the levels of use of the covers (e.g. through claims indicators) and the enhancement of the customer awareness make it possible to identify any points of concern related, for example, to a lack of understanding or limited usability of the guarantees and to direct subsequent improvement measures.

# 5. Tips for consumers

Below are some guidelines for consumers.

**1. The policy and the main service are two separate things**

Insurance policies can be associated with the sale of services such as electricity, gas and telecoms, and can also be offered after the service has been activated, for example through promotional telephone calls.However, the insurance contract remains separate from the supply contract: it is therefore important to check what happens to the policy in the event of a change of provider or termination of the main service.

**2. Assessing the real insurance needs**

During the placement of the policy, the distributor asks questions to which particular attention must be paid, as they are useful for verifying whether the product offered meets the actual protection needs. For example, if the purchase of a home insurance policy is proposed, it is advisable to check whether you already have a product with similar cover; for travel policies, the need for annual coverage or coverage for a single trip should be assessed.

**3. Verification of contractual documentation**

The consumer has the right to receive, at the pre-contractual stage, clear, complete and comprehensible information, as well as all the contractual documentation, even in the case of distance selling.This documentation can be sent by email, SMS and/or made available via a link. Consumers should read it before taking out the policy, paying particular attention to clauses that limit coverage (such as exclusions, limitations of cover, deductibles, excesses and waiting periods), and keep it.

**4. Right of withdrawal**

It is important that consumers are familiar with the terms and conditions for withdrawal. In distance selling, there is a right of withdrawal within the statutory time limits, generally 14 days for non-life products.[4] The procedures and deadlines for exercising it must be clearly communicated to the customer before signing.

4 The recent Italian Legislative Decree No. 209/2025 introduced some new provisions with reference to the right of withdrawal in the case of distance selling. In particular, it introduced Article 59-*octies* into the Consumer Code, which, in paragraph 4, provides that if the consumer has not received the contractual terms and conditions and the pre-contractual information, the withdrawal period expires in any case twelve months and fourteen days after the conclusion of the distance contract.

### 5. Payments

The insurance premium is not always separate from the cost of the main service and may be charged together with the utility bill. It is important to check the amount of the premium, how it is indicated, the payment methods and the party to whom the payment is made.

### 6. Duration and deadlines

It is advisable to carefully check the duration of the policy, the renewal procedures and the main deadlines. Taking note of the relevant dates helps to consciously manage the coverage over time.

### 7. Claims or complaints

The policy documentation always indicates the contact details for reporting a claim and for submitting any complaints. Knowing these contact details is essential, the protection of rights follows the ordinary rules of insurance distribution.