INSURANCE INTERMEDIATION IN THE AGE OF DIGITAL TRANSFORMATION

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Abstract*:The development of information technologies has a direct impact on the insurance industry. At the same time, the development of infrastructure has facilitated access to many digital services. These changes have encouraged consumers to increasingly use online sales platforms, including those offering insurance products. However, the insurance market is very specific, as the contractual terms and conditions vary significantly from one person to another. Consequently, clients often require and request personalized consultations, which are mainly provided by intermediaries. The purpose of this research is to analyze the role and position of insurance intermediaries under the conditions of digitalization. To achieve this objective, the study aims to: highlight the role of intermediaries in insurance activities; identify the main digital technologies applied in the insurance sector; analyze the impact of digitalization on intermediaries' activities; and propose directions for adapting intermediaries' operations to digital innovations. The research methodology is based on methods such as analysis, synthesis, induction, and comparison, and includes an examination of both theoretical and practical sources in the fields of insurance and financial technologies. The results of the study show that traditional intermediaries continue to play an essential role in maintaining customer trust and providing personalized advice. At the same time, intermediaries must adapt to technological innovation by integrating digital tools into their operations, thereby improving the quality and value of the services they provide.*

Keywords*: insurance, intermediaries, digitalization, sales platforms, innovations.*

JEL Classification*: G22, G23, G52, O33, Q55*

INTRODUCTION

Today, digitalization has a profound impact on the lives of people all over the world. This applies not only to our daily lives but also to economic processes, which have undergone numerous digital transformations in recent years. According Daniele Shiliro, digital transformation is a complex and multidisciplinary phenomenon that requires a holistic approach (Schilirò, 2024).

Digitalization is associated with improved business performance in terms of productivity, management practices, innovation, growth, and higher-paying jobs (European Court of Auditors, 2020). Consequently, the implementation of digital technologies enhances the results that companies can achieve and drives industrial development worldwide. The biggest advantage of using digital technologies for service industries, such as the insurance industry, is that digital technologies can be combined – more easily than many other technologies – because of the shared numerical basis of different digital devices (OECD, 2020).

Digital tools were particularly important during the pandemic, which created the necessary conditions for them to be accepted and used by most entrepreneurs. The role of digitalization in the

insurance industry became particularly prominent during the COVID-19 pandemic, with the introduction of travel restrictions and the increased risks to people's lives and health. During this period, people felt an even greater need for protection, which is why demand for insurance products, particularly personal insurance increased significantly. Restrictions on the free movement of people also largely led to the shift of insurance sales activities to various digital platforms. The shift of services to digital platforms has limited human interaction, which has been replaced by chatbots. However, humans are social beings for whom emotional connections and empathy are important—qualities that chatbots often lack.

MATERIAL AND METHOD

This paper is based on the study of insurance intermediaries in the context of digitalization and the assessment of the prospects for intermediary activity. The study was conducted using various quantitative and qualitative methods, with the aim of analyzing how the role of intermediaries is transforming alongside digitalization. As informational support, data from the official websites of the National Bank of Moldova (BNM) and the National Bureau of Statistics (NBS) were used, as well as reports and studies published by relevant foreign institutions, such as the European Insurance and Occupational Pensions Authority (EIOPA), the European Commission, and the Romanian Financial Supervisory Authority (ASF). The information collected from these sources was processed and interpreted to formulate coherent conclusions regarding the transformation of the role of insurance intermediaries in the context of the accelerated digitalization process.

RESULTS AND DISCUSSION

The digital technologies used in the insurance sector are quite diverse; however, the level of digitalization in the insurance market remains emerging. In 2023, EIOPA surveyed the dynamics, opportunities, and risks associated with ongoing digitalization projects. A total of 209 insurance and/or reinsurance companies from 22 EU member states participated in this survey.

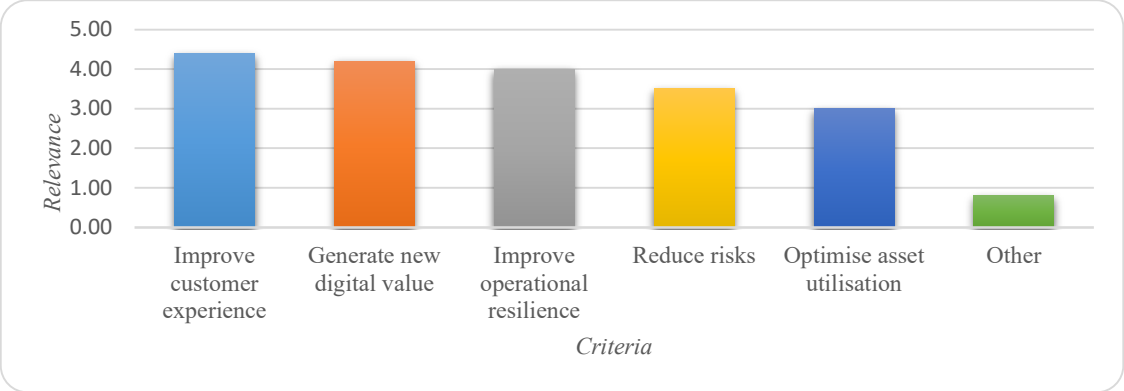


Figure 1. Classification of objectives pursued through the implementation of a digital transformation strategy

Source: EIOPA's Report on the digitalisation of the European Insurance Sector, 2024.

Thus, the main objective initially pursued through the implementation of a digital transformation strategy by insurance companies was the improvement of customer relationships, a natural process of adaptation to a competitive environment where customer experience becomes a strategic differentiation criterion. It should also be emphasized that most customers search for insurance solutions on online platforms, while insurance companies use various channels to promote their products. However, to make the final decision in choosing a particular insurance product, clients turn to insurance intermediaries, who assist not only in selecting the right product but also in concluding an insurance contract. This leads to the formation of two main distribution channels in

insurance: traditional and digital.

Traditional distribution channels refer to classic insurance intermediaries: insurance brokers, insurance agents, and bancassurance.

Digital distribution channels refer to those channels that use technologies to promote, sell, and manage insurance products. This involves the use of various online platforms, mobile applications, websites, and emerging technologies to interact with clients, provide information, offer solutions, and facilitate policy issuance and claims processing. This approach transforms the insurance industry, making it more accessible, convenient, and personalized for consumers, allowing them to research, purchase, and manage insurance policies at their own pace and according to their individual needs.

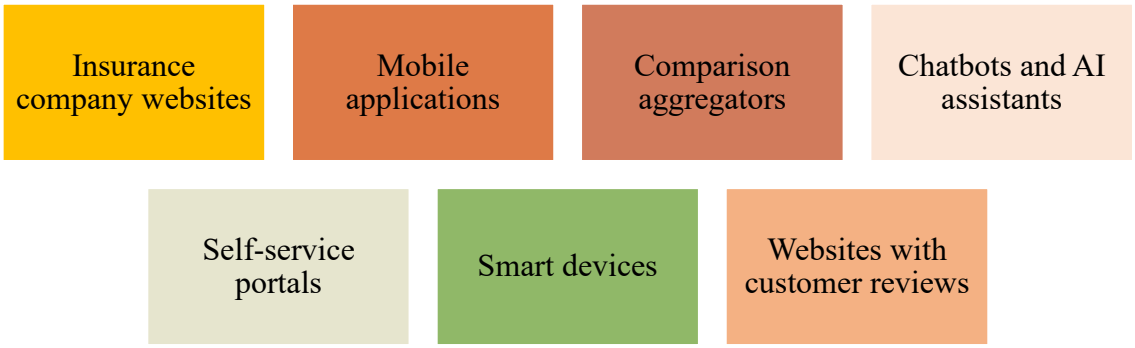


Figure 2. Digital tools in insurance
Source: Developed by the authors

Insurance and reinsurance intermediaries play a central role in the distribution of insurance and reinsurance products. In the context of increasing risks, according to Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast), "reinsurance intermediation" means any activity consisting of the presentation or proposal of reinsurance contracts, or the carrying out of other preparatory actions for the conclusion of such contracts, or the conclusion of such contracts, or contributing to the management and execution of such contracts, particularly in the event of a claim.

Table 1. Analysis of the concept of intermediary in insurance

Source	Definition	Role
IDD (2016/97/EU)	„any natural or legal person, other than an insurance or re-insurance undertaking of their employee and other than an ancillary insurance intermediary, who for remuneration takes up or pursues the activity of insurance distribution"	distribution, on one's own behalf or on behalf of another entity, consultancy
Eling & Lehmann (2020)	"an actor who connects clients with insurance providers, assisting in product selection, risk assessment, and providing personalized advice, adding value to the distribution chain."	personalized advice, product selection, risk assessment, and added value.
OECD (2022)	"any entity that mediates, promotes, or distributes insurance products, including providing information and support to end consumers."	mediation, promotion, information, and consumer support.
Law No. 92/2022 – Republic of Moldova	"a natural or legal person who carries out insurance intermediation activities in exchange for remuneration and holds the status of insurance broker, insurance agent, or bancassurance agent."	consultancy, product selection, policy sales.

Legea 236/2018 - Romania	"a person authorized to carry out intermediation activities between insurers and insureds, including brokers and agents, with the obligation to comply with regulations and protect clients' interests."	consultancy, product selection, policy sales.
EIOPA (2024)	"an insurance intermediary is a natural or legal person who, at the request of a party, mediates or assists in concluding an insurance or reinsurance contract and may provide advice regarding these contracts."	mediation and consultancy

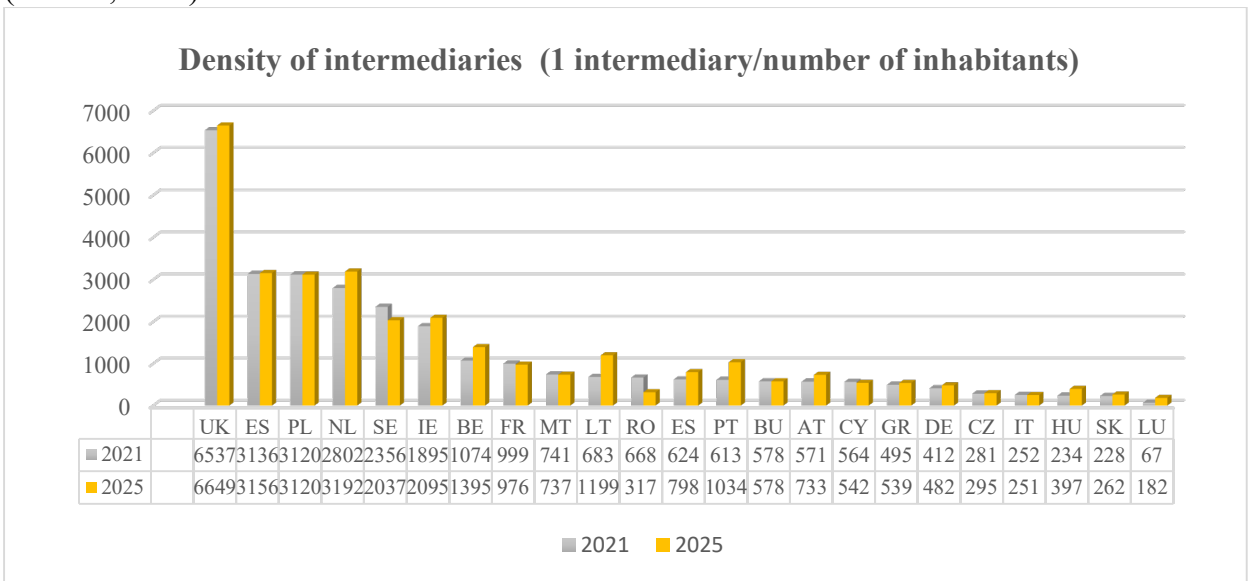
Source: IDD Directive (2016/97/EU), Eling & Lehmann (2020), OECD (2022), BNM (2025), ASF Romania (2023), EIOPA (2024).

After comparing the definitions in Table 1, we conclude that insurance intermediaries are individuals or legal entities that facilitate the sale of insurance products while representing the interests of clients. As for the role of intermediaries, it is to provide advice and assistance both during the term of the insurance contract and after its expiration. In other words, intermediaries remain close to policyholders and offer advice even after the insured risk has occurred.

At the same time, insurance intermediaries play an important role in the activities of insurers. Thus, the role of intermediaries for insurers can be characterized by the following activities (BIPAR, 2023):

- Ensuring the connection between policyholders and insurers;
- Assisting policyholders with claims services and policy administration.
- Facilitating the market entry of new insurance companies by building client bases.

The importance of intermediaries in the insurance industry cannot be overlooked, the number of insurance intermediaries in the European insurance market is declining as information technology advances (Figure 3). This decline does not diminish their role; on the contrary, it enhances it. The greatest advantage of digital transformation in the work of intermediaries is the more efficient promotion and distribution of products through digital channels, creating a rapid connection between intermediaries and policyholders. Moreover, most intermediaries have adopted new ways to operate and sell insurance products remotely, such as new payment and communication methods through mobile applications or chatbots, or claims management methods via online consultations and other digital tools, such as video assessments and digital signatures. Digitalization also facilitates tracking the entire lifecycle of the insurance service provided to a client, from distribution to post-sale services (BIPAR, 2023).



	UK	ES	PL	NL	SE	IE	BE	FR	MT	LT	RO	ES	PT	BU	AT	CY	GR	DE	CZ	IT	HU	SK	LU
2021	6537	3136	3120	2802	2356	1895	1074	999	741	683	668	624	613	578	571	564	495	412	281	252	234	228	67
2025	6649	3156	3120	3192	2037	2095	1395	976	737	1199	317	798	1034	578	733	542	539	482	295	251	397	262	182

Figure 3. Density of intermediaries in 2025 compared to 2021.
Source: Developed by the authors based on BIPAR (2021) and BIPAR (2025).

Observing the trends in Figure 3, we note a high variability among European countries. The largest changes are recorded in the Romanian insurance market, where density decreases by more than half. At the opposite end is Luxembourg, where density increases approximately threefold. This significant variation may result from the influence of several factors, such as the structure of the insurance market, the degree of digitalization in distribution, population structure, the level of digital literacy among the population, and customer preferences. At the same time, the reduction in the density of insurance intermediaries may encourage the emergence and development of new digital distribution channels.

CONCLUSIONS

In the current context of digital transformations, insurance intermediation is undergoing a series of changes, from the way insurance products are distributed to the relationship between intermediaries and clients, which is no longer purely technical but increasingly emotional. Certainly, digitalization has multiple positive effects, such as the automation and simplification of work processes; however, these cannot entirely replace the activity of intermediaries. Despite clients having access to various digital platforms and distribution channels, the detailed explanation of conditions for complex insurance products and counseling in sensitive cases (e.g., death) still comes from intermediaries.

Thus, intermediaries remain a key element in the insurance industry, performing many of the functions of insurers while also helping clients better understand the risks they face, choose the most suitable product, and receive guidance during difficult moments. Therefore, the role of intermediaries is not diminishing but being redefined: insurance intermediaries are trusted individuals for policyholders, who must adopt and utilize digital tools to streamline their activities, adapt insurance products to clients' needs, and provide services as quickly as possible.

The study results highlight that digitalization has led to a new distribution model: hybrid, which perfectly combines digital and traditional distribution channels. This distribution form is the ideal solution in the context of digitalization, maintaining human interaction in the insurance relationship, which strengthens clients' trust in insurance. At the same time, insurance products become more easily accessible to the population. Even though the density of intermediaries is decreasing in some European countries, this does not directly reflect a reduction in their role, but rather the adaptation of the insurance industry to new digital technologies.

In conclusion, in the digital era, the role of intermediaries remains highly important, with digital tools providing real advantages to all participants in the insurance value chain.

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