

Directive (EU) 2016/97 of the European Parliament and of the Council of  
20 January 2016 on insurance distribution (recast) (Text with EEA relevance)

CHAPTER III

**FREEDOM TO PROVIDE SERVICES AND FREEDOM OF ESTABLISHMENT**

*Article 9*

**Powers in relation to national provisions adopted in the interest of the general good**

1 This Directive shall not affect the power of the host Member States to take appropriate and non-discriminatory measures to penalise irregularities committed within their territories which are contrary to their legal provisions referred to in Article 11(1), in so far as is strictly necessary. In such situations, host Member States shall have the possibility of preventing the insurance, reinsurance or ancillary insurance intermediary concerned from carrying out new business within its territory.

2 Moreover, this Directive shall not affect the power of the competent authority of the host Member State to take appropriate measures to prevent an insurance distributor established in another Member State from carrying out activity within its territory under the freedom to provide services or, where applicable, the freedom of establishment, where the relevant activity is entirely or principally directed towards the territory of the host Member State with the sole purpose of avoiding the legal provisions which would be applicable if that insurance distributor had its residence or registered office in that host Member State and, in addition, where its activity seriously endangers the proper functioning of insurance and reinsurance markets in the host Member State with respect to the protection of consumers. In such a case the competent authority of the host Member State, after informing the competent authority of the home Member State, may take, in respect of that insurance distributor, all the appropriate measures needed in order to protect the rights of consumers in the host Member State. The competent authorities involved may refer the matter to EIOPA and request its assistance in accordance with Article 19 of Regulation (EU) No 1094/2010, and in such a case, EIOPA may act in accordance with the powers conferred on it by that Article in the event of a disagreement between the competent authorities of the host and home Member States.