

Luxembourg

41

INSURANCE
COMPANIES

192

REINSURANCE
COMPANIES

- ✓ Mature domiciles captive experience
- ✓ Largest EU Reinsurance domicile
- ✓ Proportionate regulation; flexible and responsive

Regulation

Regulator: Commissariat aux Assurances (CAA)

Applicable Regime: Solvency II EU Directive and 2015 Luxembourg Law on Insurance Sector

Minimum Capital Requirement: EUR 1.3m (reinsurance captive), EUR 4m (reinsurance non-captive), EUR 4m (direct insurance)

Reporting Frequency: Quarterly (direct insurance, non-captives reinsurance), Annually (Insurance/reinsurance captives below €100m annual GWP)

Solvency Capital Requirement: Risk appetite basis, superior to 100% at all times

Intercompany Loans: Permitted and limited to 100% equity +30% equalisation reserve

Licensing

Process: Formal application to CAA with focus on UBO, financial stability, substance, and outsourcing structure

Duration: Estimated 90 Business Days once complete

Threshold for minority shareholder KYC: 10%

Governance

Requirements for:

FTEs: No

Local Director: No

Independent Director: Yes (insurance and PIE's), No (reinsurance)

Key Functions: Actuarial, Compliance, Internal Audit, Risk management, AML, IDD

Control Functions: Risk Management committee, Investment committee (not required but standard practice)

Outsourcing: Well-admitted subject to governance and substance rules

Captive Manager: Provision of services subject to PSA license authorisation from CAA

Domiciliation: Provision of services subject to license authorisation from CAA

ABOUT SRS

SRS is the world's largest independent insurance company manager. With over 25 years' experience, SRS provides management and consulting services to a wide range of insurance company structures, from single parent captives to complex commercial insurers and reinsurers. SRS has operations in North America, South America, Europe, Barbados, Bermuda, Cayman Islands, and South Africa.

Tax

Equalisation Reserve Mechanism: Permitted for reinsurance entities

Tax Rate: 24,94% (with Equalisation Reserve) deferred taxation mechanism



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