Executive order on authorisation to operate services within Denmark for certain insurance undertakings with head offices in the United Kingdom

Pursuant to sections 37 and 373, subsection (4) of the Financial Business Act, cf. consolidation act no. 1447 of 11 September 2020, the following is laid down:

Scope of application

Section 1. This executive order applies to insurance undertakings, which meet the following conditions:

1) Head offices in the United Kingdom[1]
2) Have authorisation to conduct business, including reinsurance, as described in Annexes 7 and 8 to the Financial Business Act in accordance with the home member state's law, and
3) Were registered to take out non-life insurance or life insurance in Denmark as of 31 December 2020, cf. sections 30 and 31 of the Financial Business Act.

Service provider activities in Denmark

Section 2. Insurance undertakings that meet the conditions of section 1 maintain authorisation to conduct services provider activities within Denmark, cf. subsection (2), however.

(2) Authorisation to conduct service activities in Denmark under this executive order is limited to contracts concluded before 31 December 2020, and the authorisation is valid until 31 December 2021.

Subsection (3). Insurance undertakings authorised under this executive order cannot enter into new contracts or renew, extend, resume or otherwise extend existing agreements.

Section 3. Insurance undertakings in Denmark must be operated in accordance with honest business practices and good practice within the field of undertakings, cf. the Executive Order on Good Business Practice for Insurance Mediators.

Subsection (2). For insurance undertakings in Denmark, the rules in the Executive Order on Fees and Other Costs for Insurance Undertakings apply. For companies that service life insurance agreements, the rules of in the Executive Order on Information About Life Insurance Agreements also apply.

Section 4. Insurance undertakings authorised under this executive order are obliged to ensure that, at any time, the Danish FSA is in possession of current information on the following matters:

1) Company name and head offices.
2) The insurance classes, groups of classes, and any ancillary risks which the insurance undertaking covers in Denmark.
3) The insurance classes, groups of classes, and any ancillary risks which the insurance undertaking is authorised for in the UK or Gibraltar.
4) A description of the insurance undertaking's activities in Denmark, including information on the number of policies and the total premium.

Subsection 2. If the insurance undertaking covers risks under insurance class 10, cf. Annex 7 to the Financial Business Act, other than carrier's liability, the insurance undertaking must:

1) Be a member of the Danish Motor Insurers' Bureau (DFIM). For the insurances intended to cover these risks, the Danish Road Traffic Act's sections 105-108 and 110-115 apply.
2) Appoint a representative resident or established in this country. The representative must have the power to:
    a. Collect all necessary information in relation to claims and to represent the insurance undertaking in relation to injured parties who can make claims, including with respect to the payment of such claims.

[1] References to the United Kingdom or its territories in this Executive order are to be understood as references to: The United Kingdom, Gibraltar, The Channel Islands, Isle of Man or the overseas countries and territories listed in Annex II to the Treaty on the Functioning of the European Union.

b. Represent the insurance undertaking to the authorities and during actions against the insurance undertaking in connection with the claims listed in this subsection.

Subsection (3). Appointment of a representative in accordance with subsection (2), no. 2, is not considered as establishment of a branch, cf. section 34 of the Financial Business Act.

Subsection (4). The insurance undertaking must notify the Danish FSA of matters referred to in subsection (1) annually. Furthermore, the insurance undertaking is obliged to immediately notify the Danish FSA about any change in the circumstances mentioned in subsections (1) and (2).

Penalties

Section 5. Violation of section 2, subsections (2) and (3) and section 4 are subject to penalty.

(2) Criminal liability may be imposed on companies etc. (legal persons) under the rules of Chapter 5 of the Criminal Code.

Entry into force

Section 6. The Executive Order enters into force on1 January 2021.

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The Danish Financial Supervisory Authority, 3 December 2020

Jesper Berg

/Line Bergmann