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**ACT no. 718 of 13/06/2023 (Applicable)**

**Act on insurance business in multi-employer occupational pension funds,  
life assurance undertakings and non-life insurance undertakings, etc.  
(The Danish Insurance Business Act)**

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# Act on insurance business in multi-employer occupational pension funds, life assurance undertakings and non-life insurance undertakings, etc.

## (The Danish Insurance Business Act)<sup>1)</sup>

WE, MARGRETHE THE SECOND, by the Grace of God Queen of Denmark, hereby announce that: The Danish Parliament has passed the following Act, which We have ratified by giving Our assent:

### I

#### General provisions

##### Part 1

##### *Scope*

##### *Insurance undertakings*

**Section 1** This Act shall apply to insurance undertakings, cf. Section 9(1), no. 1, and undertakings covered by Sections 2-8.

##### *Financial holding undertakings and insurance holding undertakings*

**Section 2** For financial holding undertakings and insurance holding undertakings, Section 67(1), Section 82, Part 10, Section 95, Section 100, Section 105(7), Section 107(1), Sections 133, 139, 165, 170-172 and 174, Part 17, Sections 259-262 and 267-275, Section 277(3), Section 280(1), (2) and (5)-(8) and Sections 283, 284, 301-307, 309 and 312-319 shall apply.

(2) For financial holding undertakings, Sections 142-144, 146 and 151 shall also apply.

(3) For insurance holding undertakings, Sections 127, 166 and 167 shall also apply.

##### *Branches*

**Section 3** For branches in Denmark of foreign undertakings, which have been granted a licence to carry out the activities mentioned in Sections 14-18 in a Member State of the European Union or a country with which the Union has entered into an agreement for the financial area, Sections 49-51, 55-59, 67, 69, 71-76, 174, 259, 260 and 269, Section 270(1)-(3) and Sections 271, 272, 274, 275, 281, 283, 291, 294-296, 299, 302, 305-307 and 312-319 shall apply with the derogations specified in or in accordance with international agreements.

(2) This Act shall apply to branches in Denmark of insurance undertakings, which have been granted a licence in a country outside the European Union with which the Union has not entered into an agreement for the financial area, with the exceptions made necessary by the circumstances of the branch, or laid down in, or pursuant to, international agreements.

(3) The Danish Financial Supervisory Authority – in the following abbreviated to “the Danish FSA” - may specify more detailed rules governing branches covered by subsection (2), including rules about capital requirements, etc. and rules specifying that branches covered by subsection (2) shall conduct their activities in a subsidiary undertaking.

(4) The Danish Companies Act’s provisions on branches of foreign limited undertakings shall apply to the branches mentioned in subsection (2).

### *Services*

**Section 4** For services in Denmark carried out by insurance undertakings, which have been granted a licence in another Member State of the European Union or a country with which the Union has entered into an agreement for the financial area, Sections 52-54, 59, 67 and 71-76, Section 269(1) and Sections 283 and 305-307 shall apply, with the derogations specified in or in accordance with international agreements.

(2) For services in Denmark carried out by insurance undertakings, which have been granted a licence in a country outside the European Union or a country with which the Union has not entered into an agreement for the financial area, Section 60 and Sections 305-307 shall apply with the derogations specified in or in accordance with international agreements.

### *SE companies*

**Section 5** Provisions concerning the board of directors or members of the board of directors in Section 9(1), no. 6, Section 111(1), Section 112, Section 117(1), nos. 1 and 3, Section 139(2), Section 193(11) and (12) and Section 245 shall only apply to the supervisory body or members thereof in SE companies with a two-tier management system with the necessary adaptations.

(2) Provisions concerning the board of directors or members of the board of directors and provisions concerning the management body in Section 19(1), no. 1, Sections 42, 82, 96, 97, 105, 110, 121-124 and 138, Section 170, no. 2, Section 171, no. 2, Sections 181, 182 and 208, Section 244(1), Section 267(2) and (3), Section 272, Section 276(2), no. 2, Section 280, Section 302(2), no. 7, and (3), and Sections 312-319 shall in addition to the management bodies and the members thereof also apply to the supervisory body or members thereof in SE companies with a two-tier management system with the necessary adaptations.

### *Suppliers and sub-suppliers*

**Section 6** For suppliers and sub-suppliers to outsourcing undertakings, Section 269(1), 270(4) and Sections 305-307 shall apply.

### *Co-assurance business*

**Section 7** The Danish FSA may specify special rules or derogations for co-assurance business.

### *Shared data centres*

**Section 8** For shared data centres, cf. Section 9(1), no. 13, the following provisions shall also apply:

- 1) Section 132(1), no. 8, on adequate IT control and security measures in the IT field and regulations hereon issued pursuant to Section 132(2).
- 2) Regulations governing outsourcing issued pursuant to Section 134 shall apply correspondingly to shared data centres if the shared data centres outsource IT tasks performed for undertakings covered by Section 9(1) of this Act.
- 3) Part 27 on communication.

(2) Part 22 on supervision and control, etc. and Part 28 on delegation and appeals and regulations issued pursuant to these Parts shall, with the necessary adaptations, apply correspondingly to shared data centres, cf. Section 9(1), no. 13.

(3) In exceptional circumstances, the Danish FSA may grant exemptions from subsections (1) and (2) if special reasons apply. Exemptions may be renewed.

## Part 2

### *Definitions*

**Section 9** For the purposes of this Act, the following definitions shall apply:

- 1) Insurance undertaking:
  - a) “Non-life insurance undertaking” shall mean: A limited undertaking which has been granted a licence to conduct non-life insurance business, cf. Section 14.
  - b) “Mutual undertaking” shall mean: An undertaking owned by the policyholders, cf. Section 237, which has been granted a licence to conduct life assurance and non-life insurance business, cf. Section 14.
  - c) “Life assurance undertaking” shall mean: A limited undertaking, including a labour-market-related life assurance undertaking, cf. Section 250, which has been granted a licence to conduct life assurance business, cf. Section 14.
  - d) “Multi-employer occupational pension fund” shall mean: An association or affiliation, cf. Section 247, which has been granted a licence to conduct life assurance business, cf. Section 14.
  - e) “Reinsurance undertaking” shall mean: A limited undertaking which has been granted a licence to conduct reinsurance business, cf. Section 14.
- 2) “Banks”, cf. Section 5(1), no. 1, point (a), of the Danish Financial Business Act.
- 3) “Mortgage-credit institutions”, cf. Section 5(1), no. 1, point (b), of the Danish Financial Business Act.
- 4) “Investment firms”, cf. Section 13(2), cf. subsection (1), of the Danish Act on Investment Firms and Investment Services and Activities.
- 5) “Investment management undertakings”, cf. Section 5(1), no. 1, point (c), of the Danish Financial Business Act.
- 6) “Parent undertaking” shall mean: An undertaking with one or more subsidiary undertakings.
- 7) “Subsidiary undertaking” shall mean: An undertaking which is subject to controlling influence by a parent undertaking.
- 8) “Group” shall mean: A parent undertaking and its subsidiary undertakings, cf. Section 10.
- 9) “Financial holding undertaking” shall mean: A parent undertaking, which is not a bank, a mortgage-credit institution, an investment firm nor an investment management undertaking in a group where at least one of the subsidiary undertakings of said group is an insurance undertaking, and where at least 40 per cent of the total balance sheet of the group and the parent undertaking’s associated undertakings are related to the financial sector, cf. however, second sentence and subsection (5). A parent undertaking is not a financial holding undertaking if the financial subsidiary undertakings in the group exclusively consist of insurance undertakings. In such cases, the parent undertaking will instead be an insurance holding undertaking, cf. no. 10, or a mixed-activity insurance holding undertaking, cf. no. 11.
- 10) “Insurance holding undertaking” shall mean: A parent undertaking the primary business of which is to acquire and hold equity investments in subsidiary undertakings where those subsidiary undertakings are exclusively or mainly insurance or reinsurance undertakings or third-country insurance or reinsurance undertakings, and where at least one of those subsidiary undertakings is an insurance or reinsurance undertaking. An insurance holding undertaking is not a financial holding undertaking, cf. no. 9.
- 11) “Mixed-activity insurance holding undertaking” shall mean: A parent undertaking, other than a bank, a mortgage-credit institution, an investment firm, an investment management undertaking, a third-country insurance or reinsurance undertaking, a financial holding undertaking or an insurance holding undertaking, which owns at least one subsidiary undertaking that is an insurance or

reinsurance undertaking.

- 12) “Associated undertaking” shall mean: An undertaking in which another undertaking and its subsidiary undertakings hold equity investments and exercise significant influence over its operational and financial management, but which is not a subsidiary undertaking of the other undertaking. An undertaking and its subsidiary undertakings shall be deemed to exercise significant influence where they jointly hold 20% or more of the voting rights.
- 13) “Shared data centres” shall mean: Undertakings whose most important activities include IT operation or development for several insurance undertakings, insurance holding undertakings or subsidiary undertakings of such undertakings and which are primarily owned by
  - a. one or more insurance undertakings, insurance holding undertakings or subsidiary undertakings of such undertakings jointly, or
  - b. one or more associations whose members are primarily insurance undertakings, insurance holding undertakings or subsidiary undertakings of such undertakings.
- 14) “Exposure” shall mean: The sum of all positions with a client or a group of mutually connected clients, which involve a credit risk for the undertaking, and equity investments issued by the client or by one among a group of mutually connected clients. With regard to the provisions on exposures in Sections 117-120 and 173, the following positions shall be exempted:
  - a. For exchange transactions: Positions incurred in the ordinary course of settlement of a transaction during the 48 hours following payment.
  - b. For purchases or sales of securities: Positions incurred in the ordinary course of settlement of a transaction during the five business days following payment or delivery of the securities, whichever is the earlier.
  - c. For money transmission services, including execution of payment orders, clearing and settlement of securities in any currency and correspondent bank or offers regarding clearing, settlement and deposit of financial instruments for clients: Positions concerning delayed receipt of financing and other positions incurred as a consequence of client activity and which do not extend for longer than the following business day.
  - d. For money transmission services, including execution of payment orders, clearing and settlement of securities in any currency and correspondent bank: Intra-day positions with institutions which offer these services
- 15) “Close links” shall mean:
  - a. Direct or indirect links of the nature described in no. 8,
  - b. Participating interests such that an undertaking is in direct or indirect ownership of 20% or more of the voting rights or capital of another undertaking, or
  - c. Joint links of several undertakings or persons, cf. point (a), with an undertaking.
- 16) “Branch” shall mean: A department which does not legally comprise an independent part of an insurance undertaking, and which carries on the type of activities for which the undertaking has a licence.
- 17) “Captive reinsurance undertaking” shall mean: A reinsurance undertaking owned by a mortgage-credit institution, a bank, an investment firm or an investment management undertaking or by a group subject to group supervision pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) or by an undertaking, which is not a mortgage-credit institution, a bank, an investment firm nor an investment management undertaking, the purpose of which is limited to reinsuring insurance risks in the undertaking or the undertakings to which it belongs or in the undertaking or the undertakings of the group that it is a part of.

- 18) “Group 1 insurance undertaking” shall mean: An insurance undertaking which carries out cross-border activities pursuant to Sections 61, 62 or 63 or insurance or reinsurance activities covered by one or more of insurance classes 10-15 in Annex 1, unless they constitute subsidiary risk, or an undertaking that has met at least one of the following conditions for three consecutive years, cf. however, Sections 15 and 17:
- a. The undertaking’s annual gross premium exceeds EUR 5 million.
  - b. The undertaking’s total gross technical provisions excluding reinsurance agreements and agreements with ISPVs exceed EUR 26.6 million.
  - c. The undertaking is part of a group, and the group’s total gross technical provisions excluding reinsurance agreements and agreements with ISPVs exceed EUR 26.6 million.
  - d. The undertaking carries out reinsurance activity that exceeds EUR 0.6 million of the undertaking’s gross premium, EUR 2.7 million of its gross technical provisions excluding reinsurance agreements and agreements with ISPVs, 10% of its gross premiums or 10% of its gross technical provisions excluding reinsurance agreements and agreements with ISPVs.
- 19) “Group 2 insurance undertaking” shall mean: An insurance undertaking which is not a group 1 insurance undertaking.
- 20) “Subsidiary risks” shall mean: Insurance risks that are covered by an insurance class in Annex 1, and which do not require a separate licence pursuant to Section 14(1), because the risks are included in the primary risk for which the insurance undertaking has a licence, and because the risks are in regard to a condition that is covered by the contract covering the primary risk. Insurance classes 14, 15 and 17 may not be subsidiary risks to other insurance classes.
- 21) “Outsourcing” shall mean: An arrangement of any nature between an insurance undertaking and a service provider wherein the service provider either directly or through chain outsourcing conducts a process, service or activity which the insurance undertaking would otherwise have carried out itself.
- 22) “Outsourcing undertaking” shall mean: An insurance undertaking which outsources activities to a supplier.
- 23) “Supplier” shall mean: An undertaking that performs outsourced tasks for the outsourcing undertaking.
- 24) “Chain outsourcing” shall mean: Outsourcing by a supplier of tasks, which the supplier is to perform in accordance with an agreement with the outsourcing undertaking, to a sub-supplier and the sub-supplier's possible chain outsourcing of the tasks to the next link in the chain of sub-suppliers as well as possible chain outsourcing to other links in the chain of sub-suppliers.
- 25) “Competent authorities” shall mean: The national authorities which, by law or other rules and regulations, are authorised to supervise the types of undertaking covered by this Act.
- 26) “Solvency certificate” shall mean: A certificate which states that the group 1 insurance undertaking meets the solvency capital requirement and minimum capital requirement pursuant to Sections 154 and 155.
- 27) “ISPV (Insurance Special Purpose Vehicle)” shall mean: A legal person who covers risk for insurance undertakings, and who finances the coverage of such risk exclusively via the return on bonds issued or via other financing mechanisms in which the repayment rights for those individuals who made capital available are subordinated to the reinsurance duties that follow from an agreement entered into by the legal person and the insurance undertaking.
- 28) “The standard formula” shall mean: A mathematical formula used to calculate the solvency capital requirement of a group 1 insurance undertaking, cf. Section 154, which is established by the

European Commission pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

- 29) “Matching adjustment” shall mean: An adjustment of the risk-free interest rate term structure pursuant to Section 158(1) for a selected portfolio of insurance liabilities, where the group 1 insurance undertaking has invested in assets, the payment flow of which reflects the payment flows for the insurance liabilities.
- 30) “Volatility adjustment” shall mean: An adjustment of the risk-free interest rate term structure pursuant to Section 158(1) which ensures that the present value of the technical provisions is calculated considering the investments that the group 1 insurance undertaking has undertaken.
- 31) “Beneficial owner” shall mean: A natural person who ultimately owns or controls, whether directly or indirectly, a sufficient part of the equity interests or voting rights, or who exercises control via other means.
- 32) “Captive insurance undertaking” shall mean: An insurance undertaking that is either owned by a mortgage-credit institution, a bank, an investment firm or an investment management undertaking or by a group subject to group supervision pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) or by an undertaking which is not a mortgage-credit institution, a bank, an investment firm nor an investment management undertaking, the purpose of which is limited to reinsuring insurance risks in the undertaking or the undertakings to which it belongs or in the undertaking or the undertakings of the group that it is a part of.
- 33) “Home country for group 1 insurance undertakings” shall mean:
- a. For non-life insurance, the Member State in which the insurance undertaking covering the risk has its head office.
  - b. For life-assurance, the Member State in which the insurance undertaking assuming the liability has its head office.
  - c. For reinsurance, the Member State in which the reinsurance undertaking has its head office.
- 34) “Host country for group 1 insurance undertakings” shall mean: Another Member State than the home country where an insurance undertaking has a branch or offers services. In connection with life assurance or non-life insurance, the host country is:
- a. the Member State in which an insurance or reinsurance undertaking offers services,
  - b. the Member State in which the liability exists if the liability is covered by an insurance undertaking or a branch in another Member State, or
  - c. the Member State in which the risk exists if the risk is covered by an insurance undertaking or a branch in another Member State.
- 35) “Group supervision pursuant to the Solvency II directive” shall mean: the supervision which is carried out in relation to:
- a. Undertakings covered by Section 166(1) and (2).
  - b. Group 1 insurance undertakings if the parent undertaking is a mixed-activity insurance holding undertaking.
  - c. Group 1 life assurance undertakings if the parent undertaking has its head office in a country outside of the European Union and where the parent undertaking is a third country insurance undertaking, an insurance holding undertaking or a mixed financial holding undertaking as defined in Article 212(1), points (f) and (g), of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the

business of Insurance and Reinsurance (Solvency II) with later amendments.

- 36) “Group supervision authority pursuant to the Solvency II directive” shall mean: The supervision authority which is designated by the supervision authorities of multiple impacted countries to oversee coordination and the exercise of group supervision of cross-border groups covered by Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) with later amendments.
- 37) “Finite reinsurance” shall mean: Reinsurance where the explicit maximum loss risk expressed as the maximal transferred financial risk arising due to a significant transfer of insurance and timing risks exceeds the premium for the entire duration of the agreement by a limited but significant amount when at least one of the following characteristics exists:
- a. An explicit and comprehensive consideration of the fund’s value over time, or
  - b. contractual provisions for the equalisation of the relationship between the parties with considerations for financial experience over time with a view towards achieving the intended risk transfer.
- 38) “Major risks” shall mean:
- a. Risks under insurance classes 4-7, 11 and 12 in Annex 1.
  - b. Risks under insurance classes 14 and 15 in Annex 1 when the policyholder conducts industrial or commercial activities or liberal professions, and the risks concern this undertaking.
  - c. Risks under insurance classes 3, 8-10, 13 and 16 in Annex 1 when the policyholder fulfils at least two of the following conditions:
    - i. The policyholder has a balance sheet sum of at least EUR 6.2 million.
    - ii. The policyholder has an annual net turnover of at least EUR 12.8 million.
    - iii. The policy holder has had 250 or more full-time employees in the most recent financial year.
- 39) “Insurance distribution” shall mean:
- a. The activity consisting of advising about, proposing or carrying out the initial work in connection with entering into insurance agreements, entering into such agreements or contributing to the administration or fulfilment of such agreements.
  - b. The activity consisting of delivering information about one or more insurance agreements in accordance with the customer’s selected criteria via a website or other media and the preparation of a prioritised list of insurance products covering price and product comparisons or price discounts for an insurance agreement if the customer is capable of directly or indirectly entering into an insurance agreement via the media in question.
- 40) “Insurance administration undertaking” shall mean: An organised collaboration between two or more insurance undertakings, including pension funds, about both administrative functions and investment-related dispositions.
- 41) “Variable components of the remuneration” shall mean: Remuneration schemes under which the final remuneration is unknown in advance, including bonus schemes, performance contracts, one-off consideration and other similar schemes which are not part of the fixed component of the remuneration. For remuneration in connection with the carrying out of insurance distribution, cf. no. 39, this shall be understood as all forms of fixed and variable salary, commissions, fees, other payments, and benefits awarded or paid out to a natural or legal person with a view towards carrying out insurance distribution.

- 42) “Gender-neutral remuneration policy” shall mean: A remuneration policy based on equal pay for the same work of the same value regardless of the employee’s gender.
- 43) “Severance pay” shall mean: Any form of payment that the recipient is entitled to in connection with his or her resignation or dismissal and which
- a. is not counted as salary or employee benefits in the termination period,
  - b. does not represent fair compensation for signing non-compete clauses or customer clauses, or
  - c. is not required by mandatory law.
- (2) “Participating interests” shall mean: The direct or indirect ownership by an undertaking of 20% or more of the voting rights or capital of another undertaking.
- (3) “Qualifying holding” shall mean: A direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that insurance undertaking or insurance holding undertaking.
- (4) “Equity investments” shall mean: An interest in a limited undertaking (shares), in a limited liability undertaking (shares) and in the equity in other undertakings.
- (5) A parent undertaking which has been covered by subsection (1), no. 9, shall continue to be regarded as a financial holding undertaking if no less than 35% of the balance sheet total of the group and the associated undertakings of the parent undertaking pertains to the financial sector. The first sentence shall not apply, however, if the balance sheet total mentioned in the first sentence has been below 40% for three consecutive years.

### *Groups*

**Section 10** The Danish FSA may decide that the regulations on groups of undertakings in this Act or in the Danish Companies Act (lov om aktie- og anpartsselskaber), except for Section 141 of the Danish Companies Act, shall apply wholly or partly to several insurance undertakings that do not comprise a group, but which in fact have such mutual links that application of the regulations mentioned is considered necessary. The relevant undertakings shall appoint one of the undertakings domiciled in Denmark covered by Section 39(1) which is to be considered the parent undertaking. If this is not done, the Danish FSA shall designate the undertaking.

### *Parent undertaking*

**Section 11** An undertaking may only have one direct parent undertaking. If one or more undertakings fulfil the criteria set up in Section 12, it shall solely be the undertaking that is actually exercising the controlling influence over the undertaking’s financial or operational decisions that is to be considered the parent undertaking.

### *Controlling influence*

**Section 12** Controlling influence is the authority to control a subsidiary undertaking’s financial and operational decisions.

(2) Controlling influence in relation to a subsidiary undertaking exists when the parent undertaking, directly or indirectly through a subsidiary undertaking, owns more than one-half of the voting rights in an undertaking, unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute controlling influence.

(3) Where a parent undertaking holds no more than one-half of the voting rights in an undertaking, controlling influence exists if the parent undertaking has

- 1) right of disposal of more than 50% of the voting rights by virtue of an agreement with other investors,
- 2) authority to manage the financial and operational conditions in an undertaking pursuant to an article

- of association or an agreement,
- 3) authority to appoint or dismiss a majority of the members of the supreme management body, and this body has controlling influence on the undertaking, or
  - 4) right of disposal of the actual majority of votes at the general meeting or an equivalent body and thus holds actual controlling influence of the undertaking.

(4) The existence and effect of potential voting rights, including rights to subscribe for and purchase equity investments that are currently exercisable or convertible, shall be taken into account when assessing whether an undertaking has controlling influence.

(5) When calculating voting rights within a subsidiary undertaking, voting rights associated with equity investments owned by the subsidiary undertaking itself or by its subsidiary undertakings shall be excluded from the calculations.

### *Calculation of voting rights*

**Section 13** When calculating voting rights and rights to appoint or dismiss members of management bodies, the rights held by both the parent undertaking and its subsidiary undertakings shall be included in the calculations.

## **II.**

### **Licenses, exclusive right, area of activities and foreign insurance undertakings**

#### Part 3

#### Licenses, exclusive right, etc.

#### Licenses

**Section 14** The exercise of insurance business activities and reinsurance business activities may not be commenced before a licence has been granted by the Danish FSA pursuant to Sections 19-23, cf. however, subsections (2)-(4) and Sections 49-53, and before a registration with the Danish Business Authority, cf. Section 24, has taken place.

(2) The following types of organisations, undertakings, institutions, and funds shall be exempt from the requirement to hold a licence:

- 1) Pension funds with the objective of securing pension schemes on employment in a private undertaking, including an insurance undertaking, or on employment in such an undertaking within the same group.
- 2) Funeral expenses funds and cremation societies.
- 3) Recognised unemployment insurance funds, etc. under supervision by the state.
- 4) The War Insurance Association covered by the War Insurance of Real Property and Chattels Act (lov om krigsforsikring af fast ejendom og løsøre).
- 5) Reinsurance pursuant to the Export Credit Fund Act of extraordinary risks in connection with export.
- 6) Maternity funds.

(3) The following undertakings, institutions and funds shall also be exempt from the requirement to hold a licence:

- 1) Falck Danmark A/S.
- 2) ATP (Arbejdsmarkedets Tillægspension) and the Labour Market Insurance (Arbejdsmarkedets Erhvervssikring).
- 3) The Travel Guarantee Fund (Rejsegarantifonden).
- 4) The Danish Guarantee Fund for Non-Life Insurers (Garantifonden for skadesforsikringselskaber).

- 5) The Guarantee Fund Danish Motor Insurers' Bureau (Garantifonden Dansk Forening for International Motorkøretøjsforsikring).
- 6) The War Insurance Institute (Krigsforsikringsinstituttet) under the Act on the War Risk Insurance of Ships (lov om krigsforsikring af skibe).

(4) Undertakings offering roadside assistance in the event of a road vehicle being involved in an accident or being damaged in Denmark shall also be exempt from the requirement to hold a licence if the provider of this service is domiciled in Denmark. The first sentence shall not apply to undertakings covered by subsection (1).

(5) The roadside assistance activities pursuant to subsection (4) may solely include the following services:

- 1) Repairs at the location where the provider of the security in most cases uses its own staff or materials.
- 2) Transportation of the vehicle to the nearest, most appropriate location where repairs can be made and any potential transport of the road vehicle's driver and passengers in general with the same roadside assistance vehicle to the nearest location from where they can continue their journey by other means.
- 3) Transportation of the vehicle, potentially accompanied by the driver and passengers, to their place of residence, starting location or original destination in Denmark.

(6) The condition pursuant to subsection (4) according to which the damage must have occurred in Denmark does not have to be fulfilled in case the ensured is a member of the organisation providing the service and in case the repair or transportation of the vehicle is carried out by an equivalent organisation abroad under a mutual assistance agreement simply upon presentation of a membership card and without paying any additional premium.

#### *Group 1 and group 2 insurance undertakings*

**Section 15** Undertakings that apply for a licence pursuant to Sections 19-21 will be allocated a status of group 1 insurance undertaking if the undertaking is to carry out cross-border activities in accordance with Section 61 or Section 63, if the undertaking is to carry out activities within one or more of insurance classes 10-15 in Annex 1, unless they represent subsidiary risks, or if the undertaking is expected to fulfil at least one of the conditions in Section 9(1), no. 18, points (a)-(d), in the course of the next 5 years.

(2) Undertakings that apply for a licence under Sections 19-21 will be allocated a status of group 2 insurance undertaking if the undertaking is not allocated a status of group 1 insurance undertaking, cf. subsection (1).

#### *Capital requirements*

**Section 16** Undertakings that are expected to be allocated a status of group 1 insurance undertaking, cf. Section 15(1), shall fulfil the capital requirements in Sections 154 and 155 in order to become a licensed insurance undertaking. Undertakings that are expected to be allocated a status of group 2 insurance undertaking, cf. Section 15(2), shall fulfil the capital requirements in Section 156 in order to become a licensed insurance undertaking.

#### *Applying for group 1 insurance undertaking status*

**Section 17** Undertakings that are allocated a status of group 2 insurance undertaking, cf. Section 15(2), may apply to the Danish FSA to be allocated a status of group 1 insurance undertaking. The Danish FSA will approve applications pursuant to the first sentence if the Danish FSA judges that the undertaking meets the capital requirements in Section 16, first sentence.

#### *Change in status*

**Section 18** Insurance undertakings will have their status changed from group 1 insurance undertaking to group 2 insurance undertaking when they do not carry out cross-border activities pursuant to Section 61 or Section 63, when the undertaking does not carry out activities within one or more of insurance classes 10-15 in Annex 1, and when none of the amount limits in Section 9(1) no. 18, points (a)-(d) are exceeded in three consecutive years and are not expected to be exceeded in any of the next five years.

(2) Any insurance undertakings whose status changes shall immediately notify the Danish FSA of the change in status and submit documentation regarding this no later than eight business days thereafter.

#### *Requirements for applying for a licence*

**Section 19** Insurance undertakings may only pursue business activities as mentioned in Annex 1 and 2 and business activities pursuant to Sections 46-48. Upon application, the Danish FSA shall grant a licence to an insurance undertaking for the insurance classes that have been applied for, when the following conditions have been met:

- 1) The members of the applicant's board of directors and board of management meet the fitness and propriety requirements set up in Section 105.
- 2) The employees in group 1 insurance undertakings identified as key function holders pursuant to Section 127(1) meet the requirements in Section 105.
- 3) Owners of qualifying holders, cf. section 9(3), meet the criteria of Section 90(1).
- 4) There are no close links, cf. Section (9)(1), no. 15, between the applicant and other undertakings or persons that could complicate performance of the tasks of the Danish FSA.
- 5) Legislation in a country outside the European Union with which the Union has not entered into an agreement for the financial area, regarding an undertaking or person with whom the applicant has close links, will not complicate performance of the tasks of the Danish FSA.
- 6) The procedures and administrative conditions of the applicant are appropriate, and the requirements in Section 132 are fulfilled.
- 7) The applicant is able to establish its ability to comply with the rules governing corporate management.
- 8) The applicant has headquarters and registered office in Denmark.
- 9) The criteria specified pursuant to Sections 21 and 27-30 are fulfilled.

(2) Undertakings licensed to conduct life assurance business activities covered by Annex 2 are entitled to apply for a license for the same undertaking to conduct non-life insurance business activities covered by Annex 1, insurance class 1 and 2.

(3) Life assurance undertakings that apply for a licence to conduct non-life insurance business within the same undertaking in accordance with subsection (2) shall, in addition to meeting the requirements for obtaining a licence, demonstrate that they fulfil the recognised minimum capital requirement to cover the absolute minimum of the minimum capital requirement for insurance undertakings licensed to conduct life assurance business and the absolute minimum of the minimum capital requirement for insurance undertakings licensed to conduct non-life insurance business, cf. Section 155(5), nos. 1 and 2. The undertakings must also demonstrate that they can meet the financial minimum requirements in the future.

**Section 20** An application for a licence shall contain information necessary for the Danish FSA to make an assessment of whether the conditions laid down in Section 19(1) are met, including information about the size of the qualifying holdings and the undertaking's organisation. An application for a licence shall also include an operating plan prepared by the insurance undertaking containing information about the nature of the intended business activities.

(2) The Danish FSA shall specify more detailed rules for the licence and, moreover, the content of the application, including the information to be included in the operating plan, on requirements for the form of reporting and format and on the term of years for which the plan shall be prepared.

#### *Joining the Danish Guarantee Fund for Non-Life Insurers*

**Section 21** For insurance undertakings which are licensed to conduct non-life insurance business activities, and which are not reinsurance undertakings, a licence shall also be on the condition that the undertaking joins the Danish Guarantee Fund for Non-Life Insurers.

(2) An application for a licence for insurance class 10 in Annex 1 about third-party liability insurance for land motor vehicles shall, excluding the carrier's liability, also be accompanied by information about the name and address of the persons or undertakings who have been appointed or the persons or undertakings that the undertaking intends to appoint as claims processing representative in each of the other countries in the European Union and in countries with which the Union has entered into an agreement for the financial area.

(3) The Danish FSA shall lay down more detailed provisions regarding claims processing representatives and their authorities.

#### *Suspension of the processing of applications*

**Section 22** In order to comply with the provisions on suspension from the European Commission in accordance with the Directives for the financial area, the Danish FSA may suspend processing of an application for a licence under sections 19-21 of this Act from applicants which are owned, directly or indirectly, by undertakings domiciled in a country outside the European Union with which the Union has not entered into an agreement for the financial area.

#### *Refusal of an application for licence*

**Section 23** In the event that the Danish FSA refuses an application for a licence, the applicant shall be notified, with a reason for refusal, no later than six months following receipt of the application or, if the application is incomplete, no later than six months after the applicant has submitted the information necessary to make the decision. In all circumstances, a decision shall be made no later than 12 months after receipt of the application. If the Danish FSA has not made a decision on a full and complete application for a licence no later than six months after receipt of the application, the undertaking may bring the matter before a court.

(2) The Danish FSA may refuse to grant a licence under Section 19 if the objective of locating the headquarters and registered office in Denmark is solely to avoid being subject to legislation in the country in which most of the applicant's clients are domiciled.

#### *Registration with the Danish Business Authority*

**Section 24** When the Danish FSA grants an insurance undertaking a licence to conduct insurance business or approves changes to an existing licence, cf. Section 19, a copy of the approval shall simultaneously be forwarded to the Danish Business Authority.

(2) The Danish Business Authority shall carry out registration of the date of the licence or approval of changes to the licence.

(3) Once the insurance undertaking has received a licence or approval of changes to the licence from the Danish FSA, the insurance undertaking must submit the licence or change to the licence for registration with the Danish Business Authority. When notifying the Danish Business Authority, the insurance undertaking must submit a dated copy of the articles of association. The Danish Business Authority shall

forward a copy of the insurance undertaking's certificate of registration and the new articles of association, if any amendments have been made to the articles of association, to the Danish FSA.

**Section 25** Insurance undertakings and branches of foreign insurance undertakings that have been granted a licence by the Danish FSA shall be registered with the Danish Business Authority.

*Liability for contracts of insurance arranged prior to a licence being granted*

**Section 26** If, despite the provisions in Sections 14-23, insurance contracts are arranged prior to a licence being granted and registered, those who have arranged the insurance on behalf of the insurance undertaking, or who have joint and several responsibilities for this, shall have joint liability for fulfilling the agreement. If the undertaking recognises the commitments no later than four weeks after registration, the relevant persons' liability shall lapse, provided the security of the policyholder is not thus significantly impaired. Agreements of the type mentioned are not binding for the policyholder prior to the undertaking recognising the commitments.

(2) The provisions in Sections 14-23 shall not obstruct the enrolment of members in order to establish a mutual undertaking, provided insurance liability does not commence and premiums are not revalued prior to the undertaking being registered. Enrolment of a member in a mutual undertaking in accordance with the first sentence shall only be binding provided the undertaking notifies the Danish Business Authority no later than one year after the enrolment. If registration is refused, the agreement shall lapse.

*Separation of life assurance activities and other insurance activities*

**Section 27** Life assurance activities may not be combined with other insurance activities in the same undertaking. Life assurance undertakings may, however, carry out activities within insurance classes 1 and 2, cf. Annex 1. Furthermore, the same undertaking may carry out reinsurance of life assurance and other insurance.

(2) Insurance undertakings which pursuant to Section 19(2) are licensed to conduct both life assurance business and non-life insurance business activities within the same undertaking shall ensure a separate management so that the life assurance business and the non-life insurance business are separated. The respective interests of life policy holders and non-life policy holders may not be set aside, and the profits from life assurance activities must benefit the policyholders to the same extent as if the insurance undertaking were only conducting life assurance business activities.

(3) The Danish FSA may lay down more detailed rules for insurance undertakings licensed to conduct both life assurance business and non-life insurance business within the same undertaking, including rules for the separate management of these business activities, cf. subsection 2, and also specify more detailed rules for the reporting of information for the Danish FSA needed for its supervision of the insurance undertakings.

**Section 28** The Danish FSA may permit an insurance undertaking which has been granted a licence to conduct non-life insurance business and which, through a branch, conducts business in a country within the European Union or in a country with which the Union has entered into an agreement for the financial area to offer types of insurance which are in accordance with the legal practice in the country in question, even if this is not permitted in Denmark.

*Notification of the technical basis*

**Section 29** The technical basis etc. for life assurance activities shall be notified to the Danish FSA not later than at the same time as the undertaking starts using the basis etc., cf. however, subsection (2). The same shall apply to any subsequent amendment to the above-mentioned circumstances. The notification

shall include specification of:

- 1) the types of insurance the undertaking intends to use,
- 2) the basis of calculation of insurance premiums, surrender values and paid-up policies,
- 3) the regulations for calculating and distributing the realised profit and loss to policyholders and other beneficiaries under insurance contracts,
- 4) the undertaking's principles for reinsurance, including limits to amounts,
- 5) the regulations for when the proposers as well as the policyholders are to provide health information for an assessment of risks,
- 6) the basis for calculating life assurance provisions for individual insurance contracts and for the undertaking as a whole, and
- 7) the regulations according to which pension schemes with annuity payments, effected or agreed as compulsory schemes with an insurance undertaking, may be transferred to or from an undertaking in connection with transition to another employment or in connection with a transfer of ownership or reorganisation of an undertaking.

(2) Insurance undertakings which do not arrange direct life assurance shall not notify the technical basis etc. for life assurance activities.

(3) The Danish FSA may lay down more detailed provisions on the conditions mentioned in subsection (1), including provisions on if and the extent to which notifications shall be available to the public.

**Section 30** The conditions notified under Section 29(1), nos. 1-5, shall be adequate and reasonable for the individual policyholder and others eligible under insurance contracts.

(2) The regulations notified for calculation and distribution of realised profit or loss, cf. Section 29(1), no. 3, shall be accurate and clear and shall lead to a reasonable distribution.

(3) Premiums for newly effected insurance contracts shall be sufficient to enable the insurance undertaking to meet all its commitments so that no systematic and permanent input from other funds will be needed.

(4) The elements of calculations (interest rates, expenses, and statistical elements) that form the basis for calculating insurance premiums, cash surrender values, and paid-up policies, shall be selected with prudence. If the basis for calculating insurance premiums, surrender values and paid-up policy benefits includes the possibility to divide the insurance premiums paid into a part for which a guaranteed pension is accumulated and a part attributable to either the collective bonus potential or bonus potential on paid-up policy benefits, it shall, however, be sufficient that the basis as a whole is based on appropriate assumptions. The elements of calculations that form the basis for calculating life assurance provisions shall be set such that they are in accordance with the regulations issued pursuant to Section 190.

(5) If an insurance policy is covered by subsection (4), second sentence, the share of the collective bonus potential and the bonus potential on paid-up policy benefits shall be included in full in calculating the cash surrender value, and in transferring from one undertaking to another, cf. section 29(1), no. 7.

(6) If the requirements in subsections (1)-(4) or the requirements in the regulations issued in pursuance of this Act are not fulfilled, the Danish FSA shall order the life assurance undertaking to carry out the necessary changes in the conditions notified under Section 29 within a time limit laid down by the Danish FSA.

(7) The Danish FSA may lay down more detailed provisions on the requirements mentioned in subsections (1)-(4).

*Special regulations for mutual undertakings and multi-employer occupational pension funds  
regarding establishment*

**Section 31** The provisions of the Danish Companies Act on notification and registration, etc. and Part 3 of the Danish Companies Act, with the changes necessary, shall apply correspondingly to mutual undertakings and multi-employer occupational pension funds.

(2) For mutual undertakings and multi-employer occupational pension funds, the provisions of Part 3 of the Danish Companies Act regarding shareholder utilisation of guarantors and the provisions on share capital and shares shall apply to guarantee capital and guarantee interests with the necessary modifications.

#### *Information about beneficial owners*

**Section 32** A mutual undertaking and a multi-employer occupational pension fund shall obtain information on the beneficial owners of the mutual undertaking and the multi-employer occupational pension fund, including information on the rights of such beneficial owners.

(2) Anyone who owns or controls, whether directly or indirectly, a mutual undertaking or a multi-employer occupational pension fund shall upon the request of the mutual undertaking or the multi-employer occupational pension fund provide the mutual undertaking or the multi-employer occupational pension fund with the information about the ownership necessary for the mutual undertaking or the multi-employer occupational pension fund to identify the beneficial owners, including information about the rights of the beneficial owners.

(3) The mutual undertaking and the multi-employer occupational pension fund shall register the information in the IT system at the Danish Business Authority as soon as possible after the mutual undertaking and the multi-employer occupational pension fund become aware of a person becoming a beneficial owner and after any change to the registered information. The registered members of the board of management of the mutual undertaking or the multi-employer occupational pension fund shall be recognised and registered as the beneficial owners in the IT system at the Danish Business Authority if the mutual undertaking and the multi-employer occupational pension fund, after having exhausted all possibilities for identification, subsequently have no beneficial owners or if no beneficial owners can be identified.

(4) The mutual undertaking and the multi-employer occupational pension fund shall check at least once a year for changes to the registered information on beneficial owners. The results of the annual review shall be presented at the board meeting where the board approves the annual report.

**Section 33** The mutual undertaking and the multi-employer occupational pension fund shall keep documentation of the information obtained on the beneficial owners of the mutual undertaking or the multi-employer occupational pension fund for 5 years after the end of the beneficial ownership. The mutual undertaking and the multi-employer occupational pension fund shall also keep documentation of the information obtained on attempts to identify beneficial owners for 5 years after the completion of the identification attempt.

**Section 34** The mutual undertaking and the multi-employer occupational pension fund shall upon request provide information about the beneficial owners of the mutual undertaking or the multi-employer occupational pension fund, including the attempts of the mutual undertaking or the multi-employer occupational pension fund to identify their beneficial owners, to the Danish Money Laundering Secretariat. The mutual undertaking and the multi-employer occupational pension fund shall also upon request disclose that information to other competent authorities where those authorities consider that such information is necessary for the exercise of their supervisory or control functions.

(2) The Danish Money Laundering Secretariat and other competent authorities may, free of charge, disclose information on beneficial owners registered, cf. Section 32(3), or obtained, cf. subsection (1), to

other EU Member States' competent authorities and financial crime services.

**Section 35** The Danish Business Authority shall stipulate more detailed regulations on the registration, accessibility and publication of information pursuant to Section 32(1) and (3) and Section 33 in the IT system at the Danish Business Authority, including the information that the mutual undertaking and the multi-employer occupational pension need to register in the Danish Business Authority's IT system.

**Section 36** Upon request, a mutual undertaking and a multi-employer occupational pension fund that is required to obtain, store and register information on beneficial owners, cf. Section 32, shall provide persons and undertakings that are required to perform customer due diligence procedures pursuant to the Danish Anti-Money Laundering Act with information on the ownership structure of the mutual undertaking or the multi-employer occupational pension fund.

(2) If the Danish FSA receives reports pursuant to the Danish Anti-Money Laundering Act about discrepancies in relation to the registered information about the beneficial owners of a mutual undertaking or a multi-employer occupational pension fund, the Danish FSA shall conduct an investigation of the matter. The Danish FSA may specify a time limit for the correction of the matter to the mutual undertaking or multi-employer occupational pension fund.

(3) At the request of the Danish FSA, the Danish Business Authority may, in parallel with the investigation, cf. subsection (2), publish a notice of the report in the Danish Business Authority's IT system. The mutual undertaking or the multi-employer occupational pension fund shall have the opportunity to object to the report before it is published unless this would negate the purpose of the publication of the report.

#### *Obligations and exclusive rights to names*

**Section 37** Undertakings licensed as insurance undertakings have exclusive right to use the words "forsikringselskab", "gensidigt selskab", "captiveforsikringselskab", "captivegenforsikringselskab" or "pensionskasse" in their name. Other undertakings may not use names or descriptions of their business which are likely to create the impression that they are insurance undertakings or pension funds.

**Section 38** Insurance undertakings are obliged to use a name that clearly indicates that the undertaking is an insurance undertaking.

(2) Mutual undertakings are obliged to use the word "gensidigt selskab" or abbreviations thereof in their name or otherwise clearly indicate their status as a mutual undertaking.

(3) Captive insurance undertakings or captive reinsurance undertakings are obliged to use the words "captiveforsikringselskab" or "captivegenforsikringselskab" in their name.

(4) Multi-employer occupational pension funds are obliged to clearly specify in their name that they are a pension fund.

(5) The provisions of Section 2(2)-(4) and Sections 3 and 347 of the Danish Companies Act shall also apply to mutual undertakings and multi-employer occupational pension funds.

#### Part 4

#### *Type of undertaking, share capital, dividend distribution, etc.*

##### *Type of undertaking*

**Section 39** Insurance undertakings shall be limited undertakings, mutual undertakings or multi-employer occupational pension funds. Captive reinsurance undertakings shall be limited undertakings.

(2) Insurance undertakings as mentioned in subsection (1) shall have a board of directors and a board of management.

*Share capital, own shares, etc.*

**Section 40** If an insurance undertaking is a limited undertaking, the share capital shall be fully paid. Intangible assets may not be used to pay for share capital.

(2) Insurance undertakings may not divide their share capital into classes of shares with different voting values.

(3) An insurance undertaking may not acquire own shares whether in ownership or by charge if, as a result of such acquisition, the accumulated nominal value of own shares held by the undertaking, or its subsidiary undertaking exceeds 10%. The permissible holding of own shares includes shares acquired by a third party in its own name, but at the expense of the undertaking.

(4) The Danish FSA may lay down regulations for own instruments issued to be included in the own funds, including regulations on redemption and acquisition of own instruments issued for financial holding undertakings not covered by Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms.

**Section 41** Decisions permitting new shares to be paid up through conversion of debt in pursuance of Section 161 of the Danish Companies Act shall be approved by the Danish FSA.

**Section 42.** Section 199 of the Danish Companies Act shall not apply to the acquisition of own shares by an insurance undertaking.

*Dividend distribution, etc.*

**Section 43** Only the profit for the year in accordance with the audited annual report for the most recent financial year, retained earnings from previous years, and other reserves that are not non-distributable in pursuance of legislation or the articles of association of the undertaking after deduction of both uncovered losses and amounts that are to be allocated to a contingency fund or other purposes in pursuance of legislation or the articles of association of the undertaking may be used as dividends to shareholders, interest to guarantors, or payments to members of mutual undertakings.

(2) As extraordinary dividends can be utilised:

- 1) Funds covered by subsection (1).
- 2) The profit for the current financial year up to the date of the interim balance sheet, cf. section 183(2) of the Danish Companies Act, if the amount has not been distributed, used or tied.
- 3) Distributable reserves arising or released in the current financial year.

**Section 44** As long as the group 1 insurance undertaking does not meet the solvency capital requirement, cf. Section 154, or the minimum capital requirement, cf. Section 155, or the group 2 insurance undertaking does not meet the minimum capital base requirement in Section 156, no dividend or extraordinary dividend may be paid to shareholders, nor interest to guarantors, nor amounts to members of mutual undertakings.

**Section 45** In limited insurance undertakings, distributions of the undertaking's funds to the shareholders, in addition to distributions under Sections 43 and 44, may only take place as payment of a dividend in connection with a reduction in the share capital or dissolution, including liquidation, of the undertaking.

(2) In mutual undertakings, distributions to members, other than under subsection (1), may only take place in accordance with regulations in the articles of association.

(3) Dividends or extraordinary dividends to shareholders, interest to guarantors, or payments to members of mutual undertakings may not exceed what is appropriate in consideration of the undertaking's financial position or the group's financial position in parent undertakings.

## Part 5

### *Other licensed activities*

#### *General regulations regarding other licensed activities*

**Section 46** Insurance undertakings may carry out activities ancillary to the activities licensed. Ancillary activities are activities, including digital solutions and services, which are connected to and a natural extension of the licensed activity.

(2) The Danish FSA may decide that the ancillary activities are to be carried out by another undertaking.

(3) Insurance undertakings may conduct insurance mediation and agent business activities for insurance undertakings and for other undertakings under the supervision of the Danish FSA.

(4) Insurance undertakings may conduct business activities as an insurance undertaking, bank, mortgage-credit institution, investment firm or investment management undertaking through a subsidiary undertaking.

(5) Insurance undertakings may conduct ancillary service business through a limited liability subsidiary undertaking.

**Section 47** Insurance undertakings may, temporarily, carry out other activities to secure or settle exposures already entered into, or with regard to restructuring business undertakings. The insurance undertaking shall inform the Danish Business Authority regarding this matter.

**Section 48** Insurance undertakings may, notwithstanding Sections 19, 46 and 47, carry out other activities in cooperation with others if:

- 1) the insurance undertaking does not have direct or indirect controlling influence on the undertaking,
- 2) the insurance undertaking does not carry out the activities in cooperation with other insurance undertakings or banks, mortgage-credit institutions, investment firms or investment management undertakings which are part of a joint organisation of administration or group with said insurance undertaking, and
- 3) the activities are carried out in another undertaking with limited liability than the insurance undertaking.

(2) If an insurance undertaking or a group begins to carry out other activities contrary to Section 19(1) or section 48(1) due to an acquisition, a merger, etc., the Danish FSA may determine a time-limit for disposal of the other activities, if an immediate disposal would result in a financial loss.

## Part 6

### *Cross-border activities*

#### *Branch operations of foreign insurance undertakings in Denmark*

**Section 49** Foreign insurance undertakings licensed to conduct insurance business in another country within the European Union or in a country with which the Union has concluded an agreement for the financial area may begin carrying out activities in Denmark through a branch two months after the Danish FSA has received notification hereon from the supervisory authorities of the home country and has received the information, cf. subsection 2, Section 50(1) and Section 51(1). The branch may carry out the activities mentioned in Annexes 1 and 2 if these are covered by the undertaking's licence in the home country. The Danish Companies Act's provisions on branches of foreign limited undertakings shall apply to the branch.

(2) The Danish FSA shall obtain the following information from the supervisory authorities of the home country:

- 1) the name and address of the insurance undertaking in the home country,
- 2) the address of the branch,
- 3) the name of the general agent of the branch, cf. Section 57.
- 4) a description of the insurance classes, groups of classes and any potential subsidiary risks which the branch intends to cover in Denmark,
- 5) a declaration that the activities planned are covered by the undertaking's licence in the home country,
- 6) an operating plan containing a description of the branch's operations, including information on its organisation and planned activities,
- 7) a solvency certificate,
- 8) documentary evidence that the insurance undertaking is a member of the Danish Guarantee Fund for Non-Life Insurers, to the extent that the undertaking is a direct non-life insurance undertaking licensed to conduct non-life insurance business and shall cover risks mentioned in Annex 1.
- 9) an indication of the option that the insurance undertaking uses for handling claims in accordance with Article 200 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), to the extent that the insurance undertaking provides legal expenses insurance, cf. Annex 1, no. 17.

**Section 50** Provided that the insurance undertaking is required to hedge risks under insurance class 10, cf. Annex 1, no. 10, excluding the carrier's liability, the Danish FSA shall require a declaration stating that the branch is a member of the Danish Motor Insurers' Bureau from the supervisory authorities of the home country. For the insurance contracts issued by the branches in question covering the risks mentioned, Sections 105-108 and 110-115 of the Danish Road Traffic Act shall apply. The Danish FSA shall also from the supervisory authorities of the home country obtain the name and address of the claims processing representative appointed in Denmark, cf. Section 54.

(2) The Danish FSA shall, no later than two months after receipt of the information referred to in subsection (1) and Section 49(2), inform the supervisory authorities of the home country of the special Danish conditions justified by societal interests that apply to the conduct of insurance business in Denmark. The Danish FSA shall at the same time inform the Danish Business Authority and, if the branch is to cover risks under insurance class 10, cf. Annex 1, no. 10, excluding the carrier's liability, the Danish Motor Insurers' Bureau of the establishment of the branch.

**Section 51** The branch may commence its activities when the insurance undertaking has received the information referred to in Section 49(2) from the supervisory authority in the home country or no later than two months after the Danish FSA has received the information referred to in Section 49(2) and Section 50(1).

(2) The insurance undertaking shall notify the Danish FSA in writing of any changes regarding the conditions referred to in Section 49(2) no later than one month prior to the implementation of the change. The insurance undertaking shall, however, not be required to notify the Danish FSA of changes regarding the own funds and solvency ratio of said undertaking.

#### *Provision of services by foreign insurance undertakings in Denmark*

**Section 52** A foreign insurance undertaking which has been granted a licence to conduct insurance business in another country within the European Union or in a country with which the Union has concluded an agreement for the financial area may begin to provide services in Denmark when the Danish FSA has received notification hereon from the supervisory authorities in the home country, cf. subsection (2) and Section 53(1), and has received the information. The foreign insurance undertaking may conduct the activities mentioned in Annexes 1 and 2 if these are covered by the insurance undertaking's licence in

its home country.

(2) The Danish FSA shall obtain the following information from the home country's supervisory authorities:

- 1) name and address of the insurance undertaking in the home country,
- 2) a specification of the insurance class, groups of classes and any potential subsidiary risks which the insurance undertaking intends to cover in Denmark,
- 3) a declaration that the planned activities are covered by the insurance undertaking's licence in the home country,
- 4) a solvency certificate,
- 5) documentary evidence that the insurance undertaking is a member of the Danish Guarantee Fund for Non-Life Insurers, to the extent that the undertaking is a direct non-life insurance undertaking licensed to conduct non-life insurance business and shall cover risks mentioned in Annex 1,
- 6) An indication of the method that the insurance undertaking uses for handling claims in accordance with Article 200 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), to the extent that the insurance undertaking provides legal expenses insurance, cf. Annex 1, no. 17.

**Section 53** Provided that the insurance undertaking is required to hedge risks under insurance class 10, cf. Annex 1, no. 10, excluding the carrier's liability, the Danish FSA shall require a declaration from the home country's supervisory authorities that the insurance undertaking is a member of the Danish Motor Insurers' Bureau. For the insurance contracts issued by the branches in question covering the risks mentioned, Sections 105-108 and 110-115 of the Danish Road Traffic Act shall apply. The Danish FSA shall also from the supervisory authorities of the home country obtain the name and address of the claims processing representative appointed in Denmark, cf. Section 54.

(2) No later than two months after receipt of the information mentioned in Section 52(2) and subsection (1), the Danish FSA shall notify the home country's supervisory authorities of the special Danish conditions justified by societal interests that apply to the exercise of insurance business activities in Denmark. The Danish FSA shall at the same time inform the Danish Motor Insurers' Bureau of the notification pursuant to Section 52(2) and subsection (1) if the insurance undertaking is to cover risks under insurance class 10, cf. Annex 1, no. 10, excluding the carrier's liability.

#### *Claims processing representative*

**Section 54** Foreign insurance undertakings which operate in Denmark pursuant to Section 49(1) and Section 52(1) and which cover risks under insurance class 10, cf. Annex 1, no. 10, excluding the carrier's liability, shall appoint a claim processing representative who is domiciled or established in Denmark. The representative shall be authorised to obtain all necessary information regarding claims and to represent the insurance undertaking in relation to injured parties who may make claims, and with regard to the payment of such claims.

(2) The claims processing representative shall also be authorised to represent the insurance undertaking in relation to the authorities as well as in legal proceedings against the insurance undertaking in connection with the claims mentioned in subsection (1).

(3) Appointment of the representative shall not, in itself, be considered establishment of an established place of business, cf. Section 56.

### *Foreign insurance undertakings' use of a name*

**Section 55** A foreign insurance undertaking may use the same name as it uses in its home country. If there is a risk of confusing said name with a name used in Denmark, the Danish Business Authority may require an explanation to be added to the name.

### *Established place of business*

**Section 56** An insurance undertaking's established place of business shall mean:

- 1) The registered office stated in the articles of association.
- 2) A branch.
- 3) An office managed by the staff of a foreign insurance undertaking.
- 4) An independent person who has a permanent licence to act on behalf of a foreign insurance undertaking in the same way as a branch.

(2) If a foreign insurance undertaking in Denmark is subject to subsection (1), nos. 3 or 4, the office or person shall also be regarded as the undertaking's branch in Denmark and shall comply with the conditions laid down in Sections 49-51 or the conditions pursuant to Section 3(3).

### *General agent*

**Section 57** Foreign insurance undertakings that have established a branch in Denmark shall appoint a general agent to manage the branch, and the branch may not be bound to any obligations without the collaboration of said general agent. The general agent shall be authorised to sign for the undertaking in relation to a third party and to represent the insurance undertaking in general, including in relation to the Danish FSA and the Danish Business Authority and during any legal proceedings against the undertaking. The general agent must meet the requirements in Section 105.

(2) The general agent may also act as the claims processing representative mentioned in Section 54.

(3) An insurance undertaking shall only be entitled to have one general agent in Denmark.

(4) The general agent may grant power of attorney to one or more sub-agents.

(5) General agents shall be legally competent persons and hold citizenship in a European Union Member State or in a country with which the Union has entered into an agreement for the financial area. The Danish FSA may, where conditions support this, grant exemption from the requirement for citizenship.

(6) A limited undertaking, limited liability undertaking, or partnership domiciled in Denmark may act as a general agent if the general agent appoints as its representative a person who fulfils the conditions mentioned in subsection (5) for being a general agent.

### *Transfer of an insurance portfolio*

**Section 58** The Danish FSA shall give its consent to the transfer of all or part of an insurance portfolio effected in Denmark by a foreign insurance undertaking in accordance with Sections 49 or 52 unless the transfer cannot be regarded as reliable. The consent of the Danish FSA shall be notified to the transferor insurance undertaking's supervisory authority which decides upon the transfer no later than three months after the Danish FSA has received a request regarding said transfer. If the acquiring insurance undertaking is domiciled in Denmark, the Danish FSA shall submit to the supervisory authority of the transferor insurance undertaking a declaration that the insurance undertaking, considering the transfer, complies with the requirements laid down in Sections 154 and 155.

(2) The transfer cannot be cited as a basis for cancelling the insurance contract.

(3) In the event of a transfer, the Danish FSA shall, in cooperation with the supervisory authority of the home country, publish notification of the transfer in the Danish Official Gazette (Statstidende) and a national daily newspaper. Notification in a national daily newspaper may be omitted if the affected policyholders have received personal information about the transfer in another way.

#### *Participation in guarantee schemes*

**Section 59** Foreign insurance undertakings subject to the regulations in Sections 49-53, which in Denmark cover the risks mentioned in Annex 1, may be ordered by the Danish FSA to participate in schemes that guarantee satisfaction of claims for damages from the insured or third-party claimants to the extent that such schemes apply correspondingly to Danish insurance undertakings.

#### *Provision of services in Denmark by insurance undertakings domiciled outside the European Union*

**Section 60** The Danish FSA may lay down more detailed regulations regarding services provided by insurance undertakings from countries outside the European Union with which the Union has not concluded an agreement for the financial area.

#### *Danish insurance undertakings' establishment of branches abroad*

**Section 61** An insurance undertaking which intends to establish a branch in a country within the European Union or in a country with which the Union has concluded an agreement for the financial area shall notify the Danish FSA of this and include the following information about the branch:

- 1) the country in which the branch is to be established,
- 2) the address of the branch in the host country from which documents can be obtained or to which documents can be sent, including all communications to the general agent,
- 3) the name of the branch's general agent who has sufficient authority to sign for the insurance undertaking in relation to a third party and to represent the insurance undertaking before the authorities and courts of the host country,
- 4) documentary evidence that the branch's general agent meets the requirements laid down in Section 105(1).
- 5) an operating plan containing a description of the branch's operations, including information on its organisation and planned activities,
- 6) an indication of the method used by the insurance undertaking in the processing of legal expenses insurance claims pursuant to Section 4 of the Danish executive order on legal expenses insurance for group 1 insurance undertakings (bekendtgørelse om retshjælpsforsikring for gruppe 1-forsikrings-selskaber) to the extent that the insurance undertaking will offer legal expenses insurance in the host country concerned, cf. Annex 1, no. 17,
- 7) if the branch is to cover risks under insurance class 10, cf. Annex 1, no. 10, excluding the carrier's liability, the insurance undertaking shall submit a declaration to the Danish FSA that the insurance undertaking has become a member of the national bureau and the national guarantee fund in the host country and state the name and address of the claims processing representative domiciled in the host country, cf. Section 21(2).

(2) The Danish FSA shall forward the information referred to in subsection (1), a solvency certificate and a declaration that the proposed activities are covered by the insurance undertaking's licence to the supervisory authorities of the host country within 3 months of receiving the information, cf. however, subsection (3). At the same time, the Danish FSA shall inform the insurance undertaking that the information has been forwarded to the supervisory authorities in the host country.

(3) The Danish FSA may refrain from submitting information under subsections (1) and (2) if there is reason to doubt that the management system, financial situation and the fitness and propriety of the general agent are reasonable as a basis for the establishment of the planned branch, cf. Section 105(1) and (8). The Danish FSA shall not be required to send the information referred to in subsections (1) and (2) if the insurance undertaking does not fulfil the solvency requirement pursuant to Section 154 or the minimum capital requirement pursuant to Section 155.

(4) If the Danish FSA receives information from the supervisory authorities of the host country regarding special conditions justified by societal interests that apply to insurance activities in the host country, the Danish FSA shall communicate this information to the insurance undertaking.

(5) The branch may commence its activities when the Danish FSA has received information pursuant to subsection (4) or no later than two months after the host country supervisory authorities have received information pursuant to subsection (2), cf. however, subsection (3).

(6) The insurance undertaking shall notify the Danish FSA and the supervisory authorities of the host country of any changes to the conditions referred to in subsection (1). The Danish FSA and the supervisory authorities of the host country shall receive said notification no later than one month prior to the implementation of the change.

**Section 62** An insurance undertaking shall have a licence by the Danish FSA to establish a branch in a country outside the European Union with which the Union has not concluded an agreement for the financial area. If there is reason to doubt that the insurance undertaking's management system or financial situation are reasonable as a basis for the establishment of the branch planned, the Danish FSA may reject an application for a licence.

#### *Cross-border services provided by Danish insurance undertakings abroad*

**Section 63** An insurance undertaking wishing to carry on insurance business in the form of cross-border services in a Member State of the European Union or a country with which the Union has entered into an agreement for the financial area shall notify the Danish FSA and include the following information:

- 1) the country in which the insurance business activity is intended to commence.
- 2) A specification of the classes of insurance, groups of classes of insurance and any subsidiary risks the insurance undertaking wishes to cover in the host country.
- 3) An indication of the method used by the insurance undertaking in the processing of legal expenses insurance claims pursuant to Section 4 of the Danish executive order on legal expenses insurance for group 1 insurance undertakings (bekendtgørelse om retshjælpsforsikring for gruppe 1-forsikrings-selskaber) to the extent that the insurance undertaking will offer legal expenses insurance in the relevant host country, cf. Annex 1, no. 17.
- 4) If the insurance undertaking is to cover risks under insurance class 10, cf. Annex 1, no. 10, excluding the carrier's liability, the insurance undertaking shall submit a declaration to the Danish FSA that the insurance undertaking has become a member of the national bureau and the national guarantee fund in the host country and state the name and address of the claims processing representative domiciled in the host country, cf. Section 21(2).

(2) The Danish FSA shall forward the information referred to in subsection 1, a solvency certificate and a declaration that the proposed activities are covered by the insurance undertaking's licence to the supervisory authorities of the host country within 1 month of receiving the information, cf. however, subsection 3. At the same time, the Danish FSA shall inform the insurance undertaking that the information has been forwarded to the supervisory authorities in the host country.

(3) In special cases, the Danish FSA may refrain from forwarding the information referred to in

subsections (1) and (2) if the Danish FSA considers that said forwarding would be irresponsible. The Danish FSA shall not be required to send the information referred to in subsections (1) and (2) if the insurance undertaking does not meet the solvency requirement pursuant to Section 154 or the minimum capital requirement pursuant to Section 155. The Danish FSA shall inform the insurance undertaking if the Danish FSA does not forward the information referred to in subsections (1) and (2).

(4) If the Danish FSA receives information from the supervisory authorities of the host country about special conditions justified by societal interests which apply to the carrying out of insurance business in the host country, the Danish FSA shall communicate this information to the insurance undertaking.

(5) The insurance undertaking may commence its business activities on the date on which the undertaking has been notified pursuant to subsection (2), second sentence.

(6) The insurance undertaking shall notify the Danish FSA of any changes to the conditions provided in accordance with subsection (1) no later than at the same time as the changes are implemented. Subsequently, the Danish FSA shall notify the host country's supervisory authorities of the changes within 1 month of receiving notification of the changes.

#### *Special regulations for Danish insurance undertakings' activities in a third country*

**Section 64** An insurance undertaking shall be required to obtain a licence from the Danish FSA to establish a subsidiary undertaking which is a credit institution, an investment firm, or an insurance undertaking in a country outside the European Union with which the Union has not concluded an agreement for the financial area. If there is reason to doubt that the insurance undertaking's management system or financial situation are reasonable as a basis for the establishment of a subsidiary undertaking planned, the Danish FSA shall not grant a licence.

(2) An insurance undertaking shall notify the Danish FSA of the establishment of subsidiary undertakings that are neither a credit institution, an investment firm nor an insurance undertaking in a country outside the European Union with which the Union has not concluded an agreement for the financial area.

**Section 65** The Danish FSA may lay down more detailed regulations regarding the activities of Danish insurance undertakings in countries outside the European Union, with which the Union has not entered into an agreement for the financial area.

**Section 66** The Danish FSA may lay down regulations regarding transfer of insurance portfolio arranged in accordance with activities under Section 61(1) or Section 63(1).

### **III.**

#### **Good business practice, etc.**

##### Part 7

#### *Good business practice, price information and contract conditions*

##### *General regulations regarding good business practice, price information and contract conditions*

**Section 67** Insurance undertakings, financial holding undertakings and insurance holding undertakings shall be operated in accordance with honest business principles and good practice within the field of activity.

(2) The Minister for Industry, Business and Financial Affairs shall lay down more detailed regulations regarding honest business principles and good practice for insurance undertakings.

(3) The Minister for Industry, Business and Financial Affairs shall lay down more detailed regulations regarding cost and price information for insurance products.

(4) The Minister for Industry, Business and Financial Affairs shall specify detailed regulations regarding procedures and notification obligations that an insurance undertaking shall observe when the undertaking conducts certain investigations, including insurance surveillance of the injured party.

(5) The Danish FSA may, after consultation with representatives of consumers and relevant financial professional organisations, develop and publish guidelines on fair business principles and good practice in specified areas that may be considered essential, in particular in the interests of consumers.

**Section 68** Actions in contravention of regulations issued pursuant to Section 67(2) shall incur liability in accordance with the general rules of Danish law.

**Section 69** Insurance undertakings may process personal identification number data for the purpose of necessary unambiguous identification in relation to existing customer relationships in the performance of administrative and advisory tasks.

#### *Adequate competences and good reputation for the undertaking's employees*

**Section 70** An insurance undertaking shall ensure that all of the undertaking's employees who carry out insurance or reinsurance distribution activities have sufficient competences and a good reputation.

(2) The Minister for Industry, Business and Financial Affairs shall lay down more detailed regulations regarding competence and reputation requirements for employees directly engaged in insurance or reinsurance distribution with an insurance undertaking or reinsurance undertaking.

#### *Legal expenses insurance*

**Section 71** The Minister for Industry, Business and Financial Affairs shall lay down more detailed regulations regarding legal expenses insurance written by group 1 insurance undertakings.

#### *Contract conditions for consumer contracts*

**Section 72** An insurance undertaking which provides insurance contracts to persons who, when entering into the agreement, act primarily outside their business occupation (consumers) shall allow the relevant insurance contracts to be taken out on terms such that the insurance may be cancelled by the policyholder with 30 days' notice to the end of a calendar month. However, this does not apply to

- 1) life assurance and change-of-ownership insurance taken out pursuant to the Act on Consumer Protection on the Acquisition of Real Property, etc. (lov om forbrugerbeskyttelse ved erhvervelse af fast ejendom m.v.), and
- 2) insurance contracts which cover special risks that only prevail for a limited period, when the insurance contract is entered into for an agreed period of no more than one month (short-term insurance), unless the insurance is part of another type of insurance.

#### *Fire insurance of buildings*

**Section 73** An insurance undertaking that writes fire insurance of buildings, shall, within the limitations of its articles of association or its licence, take over insurance for any building, cf. however, subsection (2).

(2) The insurance undertaking may refuse to insure

- 1) buildings not laid out appropriately against fire hazard, and
- 2) abandoned buildings.

**Section 74** An insurance undertaking may not cancel a fire insurance of buildings policy because the premium has not been paid.

(2) A client may only cancel the insurance with the consent of the beneficiaries according to all rights and liabilities registered on the property, unless, without prejudicing the legal status of these, the property is insured by another undertaking with a licence to operate fire insurance of buildings.

(3) The insurance undertaking shall have a lien on premiums with accumulated interest and other costs. The undertaking shall also have a mortgage on the insured property for one year from the due date of payments subordinated property taxes due to the state and municipality.

(4) The Danish FSA shall lay down minimum terms for fire insurance of buildings written by insurance undertakings.

## Part 8

### *Life assurance contracts*

#### *Special regulations regarding life assurance contracts*

**Section 75** The following insurance contracts shall not be valid when entered into by or regarding persons domiciled in Denmark:

- 1) Life assurance under which on the death of the insured party the undertaking is committed to paying an amount greater than the premium paid with interest, provided the policyholder is a different person from the insured party and does not have the consent of the insured party.
- 2) Life assurance under which the undertaking is committed to paying an amount greater than the premium paid with interest or to paying an amount greater than a basic amount of DKK 70,000 (2010 level), which shall be adjusted pursuant to Section 20 of the Danish Personal Income Act, in the event of death occurring before the insured reaches the age of eight.

(2) The Danish FSA may determine exemptions from the provisions of subsection (1).

**Section 76** In the event that a life assurance policy is lost, at the request of the person who has proved his right to the policy, the relevant insurance undertaking may, with six months' notice, summon the bearer to come forward. The summons shall be announced in the Danish Official Gazette in the first issue in a quarter, and it shall contain an adequate description of the policy, including the person whose life is insured by the policy.

(2) In the event that no one reports before the time limit expires the policy shall be invalid, and the undertaking shall prepare a new policy for the person who requested the summons. Such person shall pay the costs of the summons.

(3) In the event that someone reports after the announcement and it is not possible to reach an amicable arrangement, a new policy may not be issued before the mutual legitimacy of the claims made has been determined by a judgement.

(4) The provisions in subsections (1)-(3) shall not imply any restriction on access to request that a life assurance policy be cancelled by a judgement in pursuance of legislation on the cancellation of securities.

**Section 77** Where an insurance undertaking licensed to carry out life assurance activities, at its own initiative, grants the option to all or a group of its policy holders to change their insurance contract to cover a product with lower or no guarantees, a policy holder, who exercises such option, shall have the economic value of his or her current product transferred to the new product.

(2) The Danish FSA shall lay down more detailed regulations for the calculation of the economic value of the policy holder's product.

*Information obligations and special regulations regarding acquisition and preservation of pension rights for employed persons moving between EU/EEA countries, etc.*

**Section 78** An insurance undertaking licensed to conduct life assurance business may not, in connection with an employee's entry into a pension scheme with a retirement pension linked to an employment relationship, require that the employee shall be employed for more than three years in order to obtain unconditional membership of the pension scheme or be over 21 years of age to earn pension rights. This, however, shall only apply in the following cases:

- 1) The employee moves to Denmark from another country within the European Union or a country with which the Union has entered into an agreement,
- 2) The employee terminates, in connection with the move, an employment relationship that entitles or may entitle said employee to a retirement pension in accordance with the terms of the pension scheme,
- 3) The employment relationship terminated by the employee ends for reasons other than the employee becoming entitled to a pension.

(2) An insurance undertaking licensed to conduct life assurance business shall refund the contributions paid by an employee covered by subsection (1) or paid on behalf of the employee in cases where the employee's employment in Denmark ceases before the employee has earned pension rights under the pension scheme. If the employee bears the investment risk, the insurance undertaking shall reimburse the contributions paid or the value of the investments resulting from these contributions to the employee.

(3) Subsections (1) and (2) shall only apply in relation to pension schemes for employees who are not guaranteed, by virtue of a collective agreement or other agreement, rights at least equivalent to the provisions of Directive 2014/50/EU of the European Parliament and of the Council on minimum requirements for enhancing labour mobility between Member States by improving the acquisition and preservation of supplementary pension rights.

**Section 79** An insurance undertaking licensed to conduct life assurance business shall allow an employee who terminates his/her employment relationship to leave his/her accrued pension rights in the pension scheme with a retirement pension linked to his/her employment relationship, cf. however, subsection (2), when:

- 1) The employee moves to another country within the European Union or a country with which the Union has concluded an agreement, and
- 2) the employment relationship from which the employee resigns is terminated for reasons other than said employee becoming entitled to a pension.

(2) However, an insurance undertaking licensed to conduct life assurance business may choose to pay the amount corresponding to the value of the accrued pension rights to the employee if:

- 1) The value does not exceed a basic amount of DKK 20,000 (2010 level), which shall be regulated according to Section 20 of the Danish Personal Income Tax Act, and
- 2) the employee gives informed consent to the payment.

(3) Subsections (1) and (2) shall only apply in relation to pension schemes for employees who are not guaranteed, by virtue of a collective agreement or other agreement, rights at least equivalent to the provisions of Directive 2014/50/EU of the European Parliament and of the Council on minimum requirements for enhancing labour mobility between Member States by improving the acquisition and preservation of supplementary pension rights.

**Section 80** An insurance undertaking licensed to conduct life assurance business shall, at the request of

an employee whose employment relationship shall or may entitle said employee to a retirement pension in accordance with the terms of the pension scheme, provide the following information:

- 1) The conditions for the accrual of pension rights and the consequences of their application at the end of the employment relationship,
- 2) the value of the employee's accrued pension rights or an assessment thereof made no more than 12 months prior to the request,
- 3) the conditions for the undertaking's future treatment of dormant pension rights.

(2) Where the pension scheme provides for early access to accrued pension rights in the form of a lump sum payment, the information under subsection (1) shall also include written information that the employee should consider seeking advice about investing this amount for pension purposes.

(3) An insurance undertaking licensed to conduct life assurance business shall, upon request, provide the following information to a member who has accrued pension rights in a dormant pension scheme linked to a previous employment relationship to which said member no longer contributes, from which said member does not yet receive a pension, and which entitles said member to a retirement pension:

- 1) The value of the member's pension rights or an assessment thereof, where this assessment has been conducted no more than 12 months prior to the request,
- 2) The conditions for the undertaking's treatment of the dormant pension rights.

(4) An insurance undertaking licensed to conduct life assurance business shall, at the request of a member's beneficiaries who are entitled to benefits under a retirement pension scheme which was linked to the employment relationship of the deceased member, provide the beneficiaries with the information referred to in subsection (3) where payment of the benefits in question has not yet commenced.

(5) The information in subsections (1)-(4) shall be clear and in writing and shall be provided within a reasonable period of time. The undertaking shall not be obliged to disclose the information more than once a year.

**Section 81** Sections 78-80 shall not apply to:

- 1) pension schemes that as of May 21, 2018, no longer accept members,
- 2) pension schemes that have been placed under administration in accordance with Sections 227-235 for the duration of the administration period, and
- 3) a lump-sum benefit from an employer to an employee upon termination of the employee's employment relationship where the benefit is not linked to a retirement pension.

(2) Sections 78 and 79 shall only apply to pension savings and not to any insurance policies linked to the pension plan or benefits accruing to anyone other than the employee.

## Part 9

### *Disclosure of information*

#### *Disclosure or use of confidential information*

**Section 82** Members of the board of directors, members of local boards of directors or similar organs, auditors and inspectors and their deputies, founders, valuation officers, liquidators, members of the board of management, responsible actuaries, general agents and administrators in an insurance undertaking or an insurance holding undertaking, and other employees may not without due cause divulge or use confidential information obtained during the performance of their duties.

(2) Any person receiving information pursuant to subsection (1) shall fall within the scope of the duty of confidentiality specified in subsection (1).

### *Disclosure of information for the performance of administrative tasks*

**Section 83** Usual information on client matters may be divulged for the performance of administrative tasks.

(2) For the performance of administrative tasks, information may be divulged to a limited undertaking wholly owned by ATP (Arbejdsmarkedets Tillægspension (Supplementary Pensions for Employed Persons)) and to ATP, cf. Section 26(b)(1) and (2) and subsection (5), no. 1, in the Danish ATP Act and to the administrative undertaking of a joint administrative cooperation with regard to insurance.

(3) Insurance undertakings may, when giving advice about life assurance and pension schemes as well as personal insurances which are part of these schemes, divulge information about client relationships to insurance undertakings in the same group as the insurance undertaking, to the administrative undertaking of a joint administrative cooperation with regard to insurance, to a limited undertaking wholly owned by ATP (Arbejdsmarkedets Tillægspension (Supplementary Pensions for Employed Persons)) and to ATP, cf. sections 26b(3) and 23(4) of the Danish ATP Act. Information about health and other sensitive information may only be divulged if the person to whom the information divulged relates has consented to this.

(4) Any person receiving information pursuant to subsections (1)-(3) shall fall within the scope of the duty of confidentiality specified in Section 82(1).

(5) The Danish FSA shall lay down more detailed regulations regarding what information constitutes usual client information under subsection (1).

### *Disclosure of information for risk management purposes*

**Section 84** Information may be divulged to the parent undertaking of the insurance undertaking for the purposes of risk management of undertakings within the group where such a parent undertaking is a bank, a mortgage-credit institution, a fund brokerage undertaking, an investment management undertaking, a financial holding undertaking or an insurance holding undertaking. Information on purely private matters may not be divulged pursuant to the first sentence.

(2) Information on private clients shall not be divulged for the purpose of risk management, cf. subsection (1), except from in those exceptional cases where information on a private client concerns exposures which are or may become significant in size.

### *Disclosure of information for marketing purposes*

**Section 85** Information on a private client may not be divulged for the purpose of marketing or consultancy unless prior consent has been obtained from the client, cf. however, subsection (3).

(2) Information may be divulged under subsection (1) without consent to group undertakings and to undertakings where the insurance undertaking owns an undertaking carrying out activities that the insurance undertaking has been granted a licence to carry out through a subsidiary undertaking, or an undertaking which is ancillary to the insurance undertaking, where such information is general client information forming the basis for separation of client categories and where such disclosure is necessary to enable the undertaking receiving such information to pursue justifiable interests and regard for the private client does not override such interests.

(3) Usual information on corporate clients may be divulged for the purposes of marketing and consultancy to a bank, a mortgage-credit institution, an investment firm, or an investment management undertaking under a duty of confidentiality corresponding to the duty of confidentiality in Section 82(1).

**Section 86** The insurance undertaking shall prepare guidelines on the extent to which information may be divulged from the undertaking. These guidelines shall be available to the general public.

#### IV.

### Ownership and management, etc.

#### Part 10

#### *Ownership*

#### *Application for acquisitions*

**Section 87** Any natural or legal person, or natural or legal persons acting in understanding with each other, planning directly or indirectly to acquire a qualifying holding, cf. Section 9(3), in an insurance undertaking or an insurance holding undertaking shall apply to the Danish FSA in advance for approval of the acquisition planned. The same shall apply to an increase in the qualifying holding which, after the acquisition, results in the interest equalling or exceeding a limit of 20%, 33% or 50%, respectively of the share capital or voting rights, or results in the insurance undertaking or insurance holding undertaking becoming a subsidiary undertaking.

(2) The Danish FSA shall lay down regulations regarding when an acquisition shall be included in the calculation pursuant to subsection (1).

#### *The assessment period*

**Section 88** The Danish FSA shall confirm in writing, and no later than after two business days, receipt of the application, cf. Section 87(1). The same shall apply correspondingly for receipt of material pursuant to subsection (3).

(2) From the date of the written confirmation of receipt of the application, cf. subsection (1), and receipt of all documents required to be enclosed with the application, cf. subsection 3, the Danish FSA shall have an assessment period of 60 business days to carry out the assessment mentioned in Section 90. At the same time as confirming receipt of the application, cf. subsection (1), the Danish FSA shall notify the intended acquirer of the date on which the assessment period expires.

(3) Up to the fiftieth business day in the assessment period the Danish FSA may request any further information necessary for the assessment. The request shall be in writing. The first time that such a request is submitted, the assessment period shall be interrupted for the period between the date of the request and the receipt of a reply to this. Such interruption may not, however, exceed 20 business days, cf. however, subsection 4.

(4) The Danish FSA may extend the interruption of the assessment period mentioned in subsection (3) by up to ten business days, provided that

- 1) the intended acquirer is domiciled or subject to legislation in a country outside the European Union with which the Union has not entered into an agreement for the financial area, or
- 2) the intended acquirer is a natural or legal person who has not been granted a licence to carry out the activities mentioned in Section 14, the activities mentioned in Sections 7, 8 and 10 of the Danish Financial Business Act, the activities mentioned in Section 3(2) of the Danish Capital Markets Act or the activities mentioned in Section 13 of the Danish Act on Investment Firms and Investment Services and Activities in Denmark, in another country within the European Union or in a country with which the Union has entered into an agreement for the financial area.

**Section 89** If the Danish FSA refuses an application for approval of the intended acquisition, this shall be explained in writing and notified to the intended acquirer immediately after the decision. The

notification shall be within the assessment period. The intended acquirer may request that the Danish FSA make public the reason for the refusal.

(2) If, during the course of the assessment period, the Danish FSA does not give written refusal of the application for the intended acquisition, the acquisition shall be considered approved.

(3) The Danish FSA may, when approving acquisitions or increases pursuant to Section 87(1), stipulate a time limit for the completion of such acquisitions or increases. The Danish FSA may extend such a time limit.

### *Assessment*

**Section 90** In its assessment of an application received pursuant to Section 87(1), the Danish FSA shall ensure that account is taken of sensible and proper management of the undertaking in which the acquisition is intended. The assessment shall also take into account the likely influence of the intended acquirer on the undertaking, the fitness and suitability of the intended acquirer, and the financial soundness of the intended acquisition in relation to the following criteria:

- 1) The reputation of the intended acquirer.
- 2) The reputation and experience of the person(s) who will manage the insurance undertaking or insurance holding undertaking after the acquisition.
- 3) The financial situation of the intended acquirer, particularly with respect to the nature of the business to be operated or intended to be operated in the insurance undertaking or insurance holding undertaking in which the acquisition is intended.
- 4) Whether the undertaking can continue to comply with the supervision requirements in the legislation, in particular whether the group of which the undertaking may become a part has a structure which makes it possible to perform effective supervision and effective exchange of information between the competent authorities as well as to determine how responsibilities are to be divided between the competent authorities.
- 5) Whether, in connection with the intended acquisition, there are grounds to suspect that money laundering or terrorist financing, cf. Sections 3 and 4 of the Danish Money Laundering Act, will occur.

(2) The Danish FSA may refuse an application for approval of an intended acquisition if, on the basis of the criteria mentioned in subsection (1), there are reasonable grounds to believe that the intended acquirer will hinder sensible and proper management, or if, in the assessment of the Danish FSA, the information submitted by the intended acquirer is not sufficient.

(3) The Danish FSA may not take account of the financial needs of the market in its assessment pursuant to subsection (1).

### *Disposal or reduction of a qualifying holding*

**Section 91** Any natural or legal person, or natural and legal persons who act in mutual understanding, planning directly or indirectly to dispose of a qualifying holding, cf. Section 9(3), or reduce a qualifying holding in an insurance undertaking or an insurance holding undertaking such that the disposal entails that the limit of 20%, 33% or 50%, respectively of the undertaking capital or voting rights is no longer achieved, or entails that the undertaking or holding undertaking ceases to be a subsidiary undertaking of the relevant parent undertaking, shall notify Danish Financial Supervisory Authority of this in writing in advance, stating the size of the planned future holding.

### *Notification of acquisitions or disposals*

**Section 92** Where an insurance undertaking or an insurance holding undertaking learns of acquisitions or sales as specified in Section 87(1) and Section 91, said insurance undertaking or insurance holding undertaking shall immediately notify the Danish FSA hereof.

(2) Insurance undertakings and insurance holding undertakings shall, no later than February each year, submit information to the Danish FSA of the names of the owners of capital who own qualifying holdings in the insurance undertaking or insurance holding undertaking as well as information on the sizes of said interests.

#### *Withdrawal of voting rights and orders regarding guidelines*

**Section 93** Where owners of capital holdings, who are in possession of one of the interests mentioned in Section 87(1) in an insurance undertaking or an insurance holding undertaking, fail to meet the requirements of section 90(1), the Danish FSA may withdraw the voting rights associated with the equity investments of the relevant owners or order said undertaking or holding undertaking to follow specific guidelines.

(2) The Danish FSA may withdraw the voting rights associated with equity investments owned by natural or legal persons who do not comply with the duty in Section 87(1) to submit prior application for approval. Said equity investments shall have their full voting rights restored if the Danish FSA is able to approve the acquisition.

(3) The Danish FSA shall withdraw the voting rights associated with equity investments owned by natural or legal persons who have acquired equity investments as specified in Section 87(1) notwithstanding the fact that the Danish FSA has refused approval of this acquisition of equity investments.

(4) The Danish FSA shall inform the relevant insurance undertaking or insurance holding undertaking in the event that the Danish FSA has withdrawn the voting rights associated with equity investments in the undertaking pursuant to subsections (1)-(3). The Danish FSA shall also inform the undertaking in the event that the full voting rights associated with said equity investments are restored pursuant to subsection (2), second sentence.

(5) Where the Danish FSA has withdrawn voting rights pursuant to subsections (1)–(3), the relevant equity investment shall not be included in calculations of the voting capital present at general meetings.

#### *Acquisitions of qualifying interests in foreign undertakings*

**Section 94** The Danish FSA shall be notified prior to any direct or indirect acquisition by an insurance undertaking or an insurance holding undertaking of a qualifying interest in a foreign insurance undertaking or a foreign undertaking conducting bank activities, mortgage-credit activities, investment activities or investment management activities as well as of such increases in the qualifying holding which mean that said holding comprises or exceeds a limit of 20%, 33%, or 50%, respectively of the voting rights or share capital of the undertaking, or that the foreign insurance undertaking or foreign undertaking becomes a subsidiary undertaking. Such notification shall include information on the country in which such an undertaking is established.

(2) Insurance undertakings and insurance holding undertakings holding an interest of no less than 10% in a foreign insurance undertaking, and which intend to reduce said interest so that it falls below one of the limits mentioned in subsection (1) shall give the Danish FSA notification hereof and state the size of the intended future interest.

(3) Where the foreign insurance undertaking or the foreign undertaking, cf. subsection (1), becomes a subsidiary undertaking, the notification to the Danish FSA shall include the following information on the

subsidiary undertaking:

- 1) the country in which the subsidiary undertaking is to be established,
- 2) a description of the business to be carried on by the subsidiary undertaking, including information on its organisation and planned activities,
- 3) the address of the subsidiary undertaking, and
- 4) the names of the management of the subsidiary undertaking.

(4) The insurance undertaking or the insurance holding undertaking shall submit prior notification to the Danish FSA before making any changes in conditions of which notification has been submitted pursuant to subsection (3), nos. 1-4. In the event that the insurance undertaking or the insurance holding undertaking has no prior knowledge of such changes, notification shall be submitted to the Danish FSA immediately after said insurance undertaking or insurance holding undertaking has received notification of such change.

## Part 11

### *Management and competence requirements*

#### *The role of the board of directors*

**Section 95** In order to ensure that the activities are operated in a safe and reassuring manner the board of directors of an insurance undertaking and an insurance holding undertaking shall:

- 1) lay down the main types of business activities to be performed by the undertaking,
- 2) identify and quantify significant risks of the undertaking and determine the risk profile of the undertaking, including which types of large risks the undertaking may accept and to what extent,
- 3) lay down policies for how the undertaking is to manage all the significant activities of the undertaking and associated risks, considering the interaction between these, and
- 4) lay down a policy for diversity in the board of directors motivating sufficient diversity in qualifications and skills among the members of the board of directors.

(2) On the basis of the risk profile and policies laid down, the board of directors of the insurance undertaking shall provide the board of management with written guidelines which shall, as a minimum, include:

- 1) a controllable framework for which and how much risk the board of management may impose on the undertaking,
- 2) the principles for calculation of individual types of risk,
- 3) regulations on the transactions requiring decision-making by the board of directors and which transactions the board of management may make as part of its position, and
- 4) regulations on how and the extent to which the board of management shall report to the board of directors about the risks of the undertaking, including utilisation of the frameworks of the guidelines for the board of management as well as compliance with the statutory restrictions laid down concerning the risks that the undertaking may undertake.

(3) The board of directors of the undertaking shall regularly decide whether the risk profile and policies of the undertaking as well as the guidelines for the board of management are adequate in view of the operations, organisation, and resources of the undertaking, including capital and liquidity, as well as the market condition under which the activities of the undertaking are operated,

(4) The board of directors of the undertaking shall regularly assess whether the board of management is performing its duties in line with the risk profile and policies laid down, as well as the guidelines for the

board of management, including whether the board of management has deviated from these and, if so, whether the deviation has been justifiable. The board of directors shall take suitable action if this is not the case.

(5) If the board of directors specifically decides to deviate from or accept a deviation from the established risk profile, the established policies, or the guidelines for the board of management, this shall be recorded in the board of directors' minutes together with an explanation of the reasons for the decision.

(6) The Danish FSA may lay down more detailed regulations regarding the duties incumbent upon the board of directors of an insurance undertaking or an insurance holding undertaking pursuant to subsections (1)-(4).

#### *Rules of procedure for the board of directors*

**Section 96** The board of directors shall use the rules of procedure to lay down more detailed provisions with regard to the performance of its duties and responsibilities.

(2) The Danish FSA may lay down more detailed regulations on the contents of the rules of procedure.

#### *Meetings of the board of directors*

**Section 97** The chairman of the board of directors shall ensure that the board of directors convenes when necessary and shall ensure that all members are summoned.

(2) Any member of the board of directors, a member of the board of management, an external auditor, the chief internal auditor, and the responsible actuary of an insurance undertaking may demand that the board of directors convene.

(3) A member of the board of management, an external auditor, the chief internal auditor, and the responsible actuary shall be entitled to take part in and speak at the meetings of the board of directors unless otherwise stipulated by the board of directors in the individual case.

(4) External auditors and the chief internal auditor shall always be entitled to attend meetings of the board of directors when matters relevant to auditing or the presentation of the annual report are addressed.

(5) External auditors, the chief internal auditor and the responsible actuary shall participate in the board of directors' treatment of matters where such participation is requested by one or more members of the board of directors.

(6) Subsections (1)-(5) shall apply correspondingly to the board of representatives of an insurance undertaking.

**Section 98** Negotiations within the board of directors shall be minuted. The minute book shall be signed by all members present.

(2) Members of the board of directors, members of the board of management, the chief internal auditor or the responsible actuary who do not agree with decisions made by the board of directors shall be entitled to have their views included in the minutes.

(3) Subsections (1) and (2) shall correspondingly apply to the board of representatives for an insurance undertaking.

#### *The power of the board of directors or the board of management to bind the undertaking*

**Section 99** The power to bind the undertaking that rests with the members of the board of directors or the board of management pursuant to the Danish Companies Act's Section 135 may only be exercised by at least two members acting jointly.

#### *Target figures and policies for the underrepresented gender*

**Section 100** In insurance undertakings and insurance holding undertakings which have financial

instruments admitted for trading on a regulated market in an EU/EEA country or which have a balance sheet total of DKK 500 million or more in two consecutive financial years, the board of directors shall

- 1) set target figures for the percentage of the under-represented gender among the members of the board of directors elected by the general meeting or similar assembly that is the supreme authority of the undertaking, unless there is an equal distribution of women and men among these members of the board of directors,
- 2) set target figures for the percentage of the under-represented gender in other management levels of the undertaking, unless there is an equal distribution of women and men in the other management levels, and
- 3) prepare a policy to increase the percentage of the under-represented gender in the other management levels of the undertaking, unless there is an equal distribution of women and men in the other management levels, cf. however, subsection (5).

(2) For parent undertakings preparing consolidated financial statements, the calculation in subsection (1) shall be made on the basis of the consolidated financial statements.

(3) Other management levels are defined as two management levels below the board of directors. The first management level below the board of directors includes the board of management and the persons who are organisationally in the same management level as the board of management. The second level of management includes individuals with personnel management responsibilities who report directly to the first level of management under the board of directors.

(4) The board of directors shall set a new and higher target figure for the percentage of the under-represented gender in accordance with subsection (1), no. 1 and 2, where the insurance undertaking or the insurance holding undertaking has reached its previously set target or set a new target, where the time horizon for the expected achievement has expired.

(5) Insurance undertakings and insurance holding undertakings that have employed fewer than 50 employees in the last financial year may refrain from developing a policy to increase the percentage of the under-represented gender in their other management levels.

(6) Where an insurance undertaking or an insurance holding undertaking is covered by both this provision and provisions for gender-related composition in the supreme management body under the Danish Companies Act, the Danish Act on Commercial Foundations or the Danish Act on Certain Commercial Undertakings, subsections (1)-(5) shall take precedence.

#### *Notice convening a general meeting*

**Section 101** The notice convening a general meeting of an insurance undertaking shall be publicly available and in accordance with the provisions of the articles of association. The media shall have access to the general meetings.

(2) Subsection (1) shall not apply to insurance undertakings which are wholly owned by an insurance undertaking, a bank, a mortgage-credit institution, an investment firm or an investment management undertaking or insurance undertakings and financial undertakings in the same group.

**Section 102** For insurance undertakings, the Danish FSA shall exercise the authorities that have been assigned to the Danish Business Authority under Section 93(2) and (3) of the Danish Companies Act.

#### *Establishment of a board of representatives*

**Section 103** A board of representatives may be established to carry out certain tasks specified in the articles of association, including the election of the board of directors. The members of the board of

representatives shall be subject to the same responsibilities as the board of directors in the performance of its duties.

#### *Group representation in the Danish Companies Act*

**Section 104** The regulations on group representation specified in Section 141 of the Danish Companies Act shall not apply to employees in undertakings through which an insurance undertaking conducts other activities on a temporary basis in accordance with this Act.

#### *Fitness and propriety requirements*

**Section 105** A member of the board of directors or the board of management of an insurance undertaking

- 1) shall have sufficient knowledge, professional competences, and experience to be able to carry out the duties and responsibilities of said member's office or position,
- 2) shall have a sufficiently good reputation and demonstrate propriety, integrity, and sufficient independence in the performance of the duties of the office or position,
- 3) shall not, at present or in the future, be held criminally liable for violation of the Criminal Code, financial legislation, or other relevant legislation, if such violation entails a risk that the person in question may fail to carry out said member's duties and responsibilities adequately,
- 4) shall not have filed for financial reconstruction, have filed for bankruptcy or debt restructuring, or be under financial reconstruction, bankruptcy proceedings or debt restructuring, and
- 5) shall not have behaved or behave such that there is reason to assume that said member will not perform his or her duties or responsibilities adequately.

(2) When a person takes up an office as a member of the board of directors or a position as a member of the board of management of an insurance undertaking, the Danish FSA shall ensure that said person meets the fitness and propriety requirements set out in subsection (1).

1. The Danish FSA shall decide whether the person can hold the office or position in the undertaking in question.

(3) If the Danish FSA assesses that the person does not meet the requirements in subsection (1), no. 2-5, the duration of the decision shall be stated in the decision.

(4) In special cases, where the Danish FSA assesses that a person does not have sufficient professional qualifications or experience in relation to the position as a member of the board of management for which said person is assessed, the Danish FSA may decide that the person may hold said position under specified conditions.

(5) The members of the board of directors or the management board of an insurance undertaking shall notify the Danish FSA of the matters referred to in subsection (1) in connection with their appointment to the management of the insurance undertaking and of the matters referred to in subsection (1), no. 2-5, if the circumstances subsequently change. If a member of the board of directors is appointed or elected as chairman of the board of directors of an insurance undertaking, the member of the board of directors shall also provide the Danish FSA with information on matters covered by subsection (1), no. 1. The undertaking's assessment of the personal competences of a chairman of the board of directors covered by subsection (1), no. 1, shall be in written form.

(6) The insurance undertaking shall be obliged to ensure compliance with subsection (1).

(7) For members of the board of directors and the management board of an insurance holding undertaking, subsections (1)-(6) shall apply correspondingly.

(8) For general agents, cf. Section 57, subsections (1)-(6) shall apply correspondingly.

(9) The Minister for Industry, Business and Financial Affairs may establish more detailed regulations on competence and experience requirements pursuant to subsection (1) for members of the board of

management of insurance undertakings.

**Section 106** Members of the board of directors or the board of management of an insurance undertaking shall set aside sufficient time to carry out their duties and responsibilities as a member of the board of management or board of directors in the undertaking in question. Members of the management shall regularly assess whether they have set aside sufficient time to carry out their duties and responsibilities. The assessment shall consider the size, organisation, and complexity of the undertaking.

*The collective fitness of the board of directors*

**Section 107** The board of directors of an insurance undertaking and an insurance holding undertaking shall ensure that its members possess adequate collective knowledge, skills, and experience to be able to understand the undertaking's activities, including the risks involved. The composition of the board of directors shall reflect a sufficiently broad range of experience.

(2) In insurance undertakings licensed to conduct life assurance business with a balance sheet total exceeding DKK 30 billion and in insurance undertakings licensed to conduct non-life insurance business with a balance sheet total exceeding DKK 4 billion, at least one member of the board of directors shall have management experience from an insurance undertaking or a relevant bank or mortgage-credit institution.

*Induction and training courses for members of the management bodies*

**Section 108** An insurance undertaking and an insurance holding undertaking shall have the human and financial resources necessary to ensure adequate opportunities for induction and training courses for members of the board of directors and the management board.

*Entry course for members of the board of directors*

**Section 109** A member of the board of directors of an insurance undertaking shall as soon as possible and no later than 12 months after joining the board of directors complete a basic training course on the competences necessary to perform the duties and functions required of members of the board of directors of the type of insurance undertaking said member has joined.

(2) The Danish FSA may exempt a member of the board of directors from the requirement in subsection (1) if the member's knowledge, professional competence, and experience are considered sufficient.

(3) The Danish FSA may exempt a member of the board of directors from the requirement in subsection (1) if the member's Danish language skills are not sufficient to complete a basic course under subsection (1), and an approved course is not offered in English. The exemption is conditional upon the member completing other training, the content of which shall be approved by the Danish FSA, including an introduction to the legal structure of corporate governance in Denmark and relevant areas that are specific to Danish financial undertakings, as soon as possible and no later than 12 months after joining the board of directors.

(4) In special cases, the Danish FSA may allow a member of the board of directors to complete a basic course or other approved training, cf. subsections (1) and (3), no later than 12 months after the member has joined the board of directors.

(5) The Danish FSA shall specify more detailed regulations on the content of a basic course, cf. subsection (1).

*Incompatible duties*

**Section 110** A member of the board of directors or board of representatives in an insurance undertaking

may not simultaneously be a member of the board of management in the same insurance undertaking. However, in the absence of a member of the board of management, the board of directors may temporarily appoint a member of the board of directors or board of representatives to serve as a member of the board of management. In this case, the person concerned may not exercise voting rights in the abovementioned bodies.

(2) A chief internal auditor and a deputy chief internal auditor may not be members of the board of directors simultaneously.

### *Conflicts of interest*

**Section 111** Persons employed by the board of directors of an insurance undertaking in accordance with legislation or the articles of association and employees for whom there is a significant risk of conflicts between own interests and the interests of the undertaking may not, on their own account, or through undertakings they control:

- 1) take up loans or draw on previously established credits to be used for acquisitions of securities when the securities acquired are provided as collateral for said loan or credit,
- 2) acquire, issue, or trade in derivative financial instruments, except to hedge risk,
- 3) acquire holdings, except for units in Danish UCITS, capital associations and foreign investment undertakings covered by section 143(1), nos. 2 and 3 of the Investment Associations etc. Act with a view to selling such units less than six months from the date of acquisition, or
- 4) acquire positions in foreign currency, except for euro (EUR), if taking the position takes place with a view to anything other than payment for the purchase of securities, goods or services, purchase or management of real property, or for use when travelling.

(2) The group of persons mentioned in subsection (1) may not acquire holdings in undertakings that carry out activities as mentioned in subsection (1), nos. 1-4. This shall, however, not apply to the acquisition of shares in banks, insurance undertakings, mortgage-credit institutions, or investment firms, as well as units in Danish UCITS, capital associations and foreign investment undertakings covered by section 143(1), nos. 2 and 3, of the Danish Investment Associations Act, etc.

(3) The prohibition in subsection (1), no. 2, shall not cover financial instruments derived from shares in the insurance undertaking or an undertaking in the same group as the insurance undertaking, received as part of the relevant person's salary.

(4) The prohibition in subsection (1), no. 1, shall not cover loans to buy employee shares, or the instruments mentioned in subsection (3).

(5) The prohibition in subsection (1), no. 3, shall not cover shares acquired through utilising the instruments mentioned in subsection (3).

**Section 112** The board of directors shall decide which employees have a significant risk of conflicts between their own interests and the interests of the insurance undertaking, and who shall therefore be covered by the prohibitions in Section 111(1) and Section 111 (2), first sentence. The board of directors shall ensure that the relevant employee knows of this decision.

**Section 113** The board of directors shall draw up guidelines regarding compliance with the prohibitions in Section 111(1) and Section 111(2), first sentence, including guidelines on reporting of investments.

**Section 114** The external auditors shall once a year review the insurance undertaking's guidelines under Section 113 and in the audit book comments relating to the annual report state whether the guidelines are adequate and have functioned appropriately, as well as whether the undertaking's control procedures have given rise to observations. If no audit book is kept, the information mentioned in the first sentence shall be

found in other comparable documentation.

**Section 115** An account-holding institution shall, upon request from the board of directors of the insurance undertaking, provide the external auditors of said insurance undertaking with access to information on accounts and deposits and provide printed statements therefrom with regard to persons covered by Section 111(1).

**Section 116** Chief internal auditors and deputy chief internal auditors may not, irrespective of Sections 111-115, have financial interests in the insurance undertaking or group in which they are employed.

*Prohibition against business exposure or collateralisation*

**Section 117** Without the approval of the board of directors, which shall be entered in the minute book of the board of directors, an insurance undertaking may not:

- 1) establish a business exposure with or accept collateralisation from members of the board of directors and members of the board of management of the insurance undertaking or undertakings where the members of the board of directors or members of the board of management of the insurance undertaking are direct or indirect owners of a qualifying holding, members of the board of directors or members of the board of management,
- 2) enter into an agreement with a member of the board of management where the agreement involves major transactions in relation to said member's financial affairs or with a third party in which said member has a material interest that may conflict with that of the insurance undertaking, or
- 3) grant exposures to or enter into agreements with persons related to members of the board of management by marriage, cohabitation for no less than 2 years or kinship in the direct line of ascent or descent or as siblings and with undertakings in which such persons are members of the board of management or hold a qualifying holding.

(2) Members of the board of directors shall indemnify the insurance undertaking for any loss suffered by the insurance undertaking as a result of grants, collateral arrangements or agreements covered by subsection (1) approved by the board of directors, unless the board of directors is able to demonstrate that the loss could not have been prevented by the caution and diligence required by the management of the insurance undertaking.

(3) A member of the board of management who, without the approval of the board of directors, grants business exposures, receives collaterals or enters into agreements covered by subsection (1) shall be liable for any loss incurred by the insurance undertaking, unless said member of the management board is liable under Section 215(2) of the Danish Companies Act, cf. Section 210 of the Danish Companies Act.

(4) If, without the approval of the board of directors, a grant or collateral arrangement covered by subsection (1), no. 1, is entered into with a member of the board of directors of the insurance undertaking or an undertaking in which the member of the board of directors directly or indirectly holds a qualifying holding or is a member of the board of directors or a member of the board of management, said member of the board of directors shall be liable for any loss incurred by the insurance undertaking, unless the member of the board of directors shall be liable under Section 215(2) of the Danish Companies Act, cf. Section 210 of the Danish Companies Act.

(5) Business exposures and agreements pursuant to subsection (1) shall be granted or entered into in accordance with the insurance undertaking's usual business terms and on terms based on market conditions unless the business exposure is entered into with an employee-elected board member on staff terms.

**Section 118** The insurance undertaking's external auditor shall in the audit report for the annual report state whether the requirements of Section 117(5) are met. If an audit log is not kept, the external auditor's opinion must be included in other comparable documentation.

**Section 119** An insurance undertaking or undertakings within the same group may not grant business exposure to or receive collateral from an external auditor or the chief internal auditor or the deputy chief internal auditor. This does not apply to loans granted by an insurance undertaking licensed to conduct life assurance business within the repurchase value of an insurance policy issued by said undertaking.

**Section 120** The board of management and the board of directors shall monitor the appropriateness and progress of the business exposures and agreements mentioned in Section 117.

*Other duties and positions held by the management*

**Section 121** Persons employed by the board of directors of an insurance undertaking in accordance with legislation or the articles of association may not, without the consent of the board of directors, own or operate an independent business undertaking, or in the capacity as a member of the board of directors, an employee, or in any other way, participate in the management or operation of another enterprise than said insurance undertaking, cf. however, Section 193(11) and (12).

(2) All authorisations granted by the board of directors in pursuance of subsection (1) shall appear in the minute book of the board of directors

**Section 122** Other employees in an insurance undertaking for whom there is a significant risk of conflicts between the interests of the employee and those of the insurance undertaking may not, without the consent of the board of management, own or operate an independent enterprise, or in the capacity as a member of the board of directors, employee, or in any other way, participate in the management or operation of another enterprise than said insurance undertaking. The board of directors shall be informed of any authorisation granted by the board of management.

(2) The board of directors shall decide which employees have a significant risk of conflicts between the interests of the employee and those of the insurance undertaking, and who shall consequently obtain the authorisation of the board of management, cf. subsection (1). The board of directors shall ensure that the relevant employee knows of this decision.

**Section 123** The activities mentioned in Section 121(1) and Section 122(1) shall only be carried on where the insurance undertaking or undertakings which form part of a group or a joint organisation of administration with said insurance undertaking do not have and do not enter into exposures with the business undertakings mentioned in Section 121(1) and Section 122(1) or undertakings which form part of a group with said undertakings. This shall not apply to exposures in the form of equity investments, exposures in the undertakings mentioned in subsections (2) and (3) and exposures in business undertakings that form part of a group with the insurance undertaking.

(2) The prohibition against exposure stipulated in subsection (4) shall not apply in connection with participation in the boards of directors of Danmarks Skibskredit A/S, Banker og Sparekassers Ungdomskontakt, LR Realkredit A/S, Bornholms Erhvervsfond, Grønlandsbanken A/S, regulated markets, clearing centres, central securities depositories, NASDAQ OMX Stockholm AB, NASDAQ OMX Helsinki Oy, IFU – Investeringsfonden for udviklingslande, IØ – Investeringsfonden for Østlandene, Landbrugets FinansieringsBank A/S, Bankernes Kontantservice A/S, Fundconnect A/S and DLR Kredit A/S.

(3) The prohibition against exposure stipulated in subsection (1) shall not apply in connection with participation in the board of directors of an undertaking which is temporarily operated by an insurance

undertaking pursuant to Section 47 to secure or settle exposures already entered into.

(4) In exceptional circumstances, The Danish FSA may grant exemptions from subsection (1).

**Section 124** The insurance undertaking shall at least annually publish information on the duties and positions approved by the board of directors under Section 121.

**Section 125** The external auditors shall make a declaration in the audit book comments concerning the annual report stating whether the insurance undertaking has exposures with business undertakings covered by Sections 121 and 122. If no audit book is kept, the declaration mentioned in the first sentence shall be found in other comparable documentation.

## Part 12

### *Organisation and management*

#### *Key function holders and key functions*

**Section 126** To ensure an effective management system, including an effective risk management system and an effective internal control system that can support an appropriate and reasonable management of the undertaking, the board of management of a group 1 insurance undertaking shall ensure that the undertaking has at least the following four key functions:

- 1) a risk management function.
- 2) a compliance function.
- 3) an actuarial function.
- 4) an internal audit function.

(2) The board of management shall prepare a function description for each of the key functions. In this regard, the board of management shall ensure a clear allocation and appropriate separation of responsibilities in accordance with the policies of the board of directors so that there is no unnecessary overlap between functions. Furthermore, the board of management shall ensure effective communication and collaboration within the undertaking.

(3) The board of management shall decide on the placement and organisation of the key functions, considering the nature, scope and complexity of the undertaking's risks and activities, cf. Section 131(1). The board of management shall ensure that the key function performs tasks that fall within its function area in a proper and safe manner.

(4) For each of the minimum four key functions, the board of management shall appoint a key function holder who is responsible for the function.

(5) The key functions shall report to the board of management. The appointed key function holders shall be responsible for the key functions' reporting to the board of management. The reporting shall include ongoing reporting on the work performed, including survey results and the like, and reporting as necessary. The key functions shall submit a report to the board of management at least once a year. The board of management shall ensure that the key function holders can, to the extent necessary, address and report directly to the board of directors independently of the board of management and ensure that they can express concerns and warn the board of directors in cases where they consider it necessary, without prejudice to the responsibilities of the board of directors, cf. Section 95.

(6) The board of management may as a key function holder appoint an employee who is also responsible for tasks other than those of the function if it is justifiable considering the nature, scope and complexity of the business risks and activities and any potential conflicts of interest in relation to the

performance of the tasks that fall within the scope of the function area, including ensuring that other tasks are handled appropriately.

(7) A member of the board of management may only be appointed as one of the key function holders referred to in subsection (4) if the appointment considers the nature, scale and complexity of the risks and activities of the undertaking, and in that case, such a decision shall be taken by the board of directors.

(8) The Danish FSA may lay down more detailed provisions for the undertaking's key functions and key function holders, including their tasks and responsibilities.

**Section 127** As part of its corporate governance framework, a group 1 insurance undertaking shall identify its key function holders. Key function holders include, among others, employees who in daily activities are part of the actual management and employees who have been appointed as responsible for a key function, cf. Section 126(4).

(2) A group 1 insurance undertaking shall without undue delay notify the Danish FSA of the employees that have been identified as key function holders pursuant to subsection (1), including the positions they hold.

(3) Section 105(1)-(5) shall apply correspondingly to employees of a group 1 insurance undertaking identified as key function holders pursuant to subsection (1).

(4) A group 1 insurance undertaking shall notify the Danish FSA if a key function holder no longer holds his or her position or no longer meets the requirements set out in Section 105(1).

(5) A group 1 insurance undertaking shall be obliged to ensure that key function holders are in compliance with Section 105(1).

(6) Subsections (1)-(5) shall apply correspondingly to insurance holding undertakings.

(7) The Minister for Industry, Business and Financial Affairs may specify more detailed regulations on competence and experience requirements pursuant to Section 105(1) for key function holders in group 1 insurance undertakings.

#### *Risk management function*

**Section 128** A group 1 insurance undertaking shall have a risk management function that is structured to facilitate the implementation of its risk management system.

#### *Compliance function*

**Section 129** As part of a proper and reasonable corporate governance framework, a group 1 insurance undertaking shall have an effective compliance function. The compliance function shall, among other things, check and assess whether the undertaking's methods and procedures are suitable for detecting and mitigating compliance risks, i.e., risks of non-compliance with financial legislation, market standards or internal rules and whether the measures taken to remedy any potential deficiencies are effective. The compliance function shall also advise the board of management and the board of directors on compliance with financial legislation for the undertaking, assess the consequences of regulatory changes for the undertaking and identify and assess risks of non-compliance with financial legislation, market standards or internal rules and regulations.

#### *Actuarial function*

**Section 130** A group 1 insurance undertaking shall have an effective actuarial function. The actuarial function shall be performed by persons who have knowledge of actuarial and financial mathematics at a level that is proportionate to the nature, scale, and complexity of the risks associated with the activities of the insurance undertaking or the reinsurance undertaking and who can demonstrate relevant experience in applicable professional standards and other standards relevant to the actuarial function.

(2) In a group, the actuarial function provides an opinion on the part of the insurance policies that relate to reinsurance and the reinsurance programme for the group as a whole.

(3) The Danish FSA may grant exemptions from the requirement in subsection (1) for insurance holding undertakings which are the ultimate parent undertaking in a group and for financial holding undertakings covered by section 9(1), no. 9, which are the ultimate parent undertaking in a group where at least one of the subsidiary undertakings is a group 1 insurance undertaking.

#### *Internal audit function*

**Section 131** A group 1 insurance undertaking shall have an effective internal audit function. The internal audit function shall assess whether the undertaking's internal control system and other elements of management and governance are appropriate and effective. The internal audit function shall be objective and independent of the undertaking's operational functions. The internal audit function shall not in its audit assessment and reporting of the audit result be under any influence from the board of management or the board of directors that could compromise the independence and impartiality of the function.

#### *Corporate governance*

**Section 132** An insurance undertaking and an insurance holding undertaking shall have effective forms of corporate management, including

- 1) a clear organisational structure with a well-defined, transparent and consistent allocation of responsibilities,
- 2) good administrative and accounting practices,
- 3) written procedures for all significant areas of activity,
- 4) effective procedures to identify, manage, monitor, and report the risks that the undertaking is or can be exposed to,
- 5) the resources necessary for proper carrying out of its activities, and use these appropriately,
- 6) procedures to separate functions with a view to management and prevention of conflicts of interest,
- 7) full internal control procedures, and
- 8) adequate IT control and security measures.

(2) The Danish FSA may lay down more detailed regulations regarding the measures which an insurance undertaking and an insurance holding undertaking are to take in order to have effective forms of corporate management, cf. subsection (1).

#### *Procedures for the approval of new insurance products*

**Section 133** Insurance undertakings that manufacture insurance products shall have effective procedures for the approval of new products, significant modifications to existing products, and the distribution of these products.

(2) Insurance undertakings shall regularly review the products they offer or market, considering any events that may materially affect the potential risks to the intended target group, in order to assess, at minimum, whether the product still meets the needs of the specified target group and whether the intended distribution strategy is still appropriate.

(3) Insurance undertakings shall make all relevant information about the insurance product and the product approval process, including the intended target group of the insurance product, available to insurance distributors.

(4) Insurance undertakings that advise on or propose insurance products they have not designed themselves shall have effective procedures for obtaining relevant information on the insurance products.

(5) Subsections (1)-(4) shall not apply to insurance products consisting of the insurance of large risks.

### *Outsourcing*

**Section 134** Insurance undertakings may outsource a process, service, or activity that they would otherwise perform themselves to a service provider.

(2) Insurance undertakings shall ensure that outsourcing of critical or important operational functions or activities is not done in a way that could

- 1) lead to a significant deterioration in the quality of the management system of the insurance undertaking,
- 2) cause an unnecessary increase in operational risk,
- 3) impair the ability of supervisory authorities to monitor the compliance of the insurance undertaking with its obligations, or
- 4) prevent the insurance undertaking from offering policyholders a satisfactory service at all times.

(3) Insurance undertakings shall notify the Danish FSA well in advance of an impending outsourcing of critical or important operational functions or activities. The undertakings must also notify the Danish FSA of significant changes to the functions or activities mentioned in the first sentence.

(4) Insurance undertakings are responsible for all outsourced functions or activities.

(5) The Danish FSA may decide that outsourcing by insurance undertakings shall be terminated within a time limit specified by the Danish FSA if the outsourcing contract or its parties do not comply with the regulations in this provision or regulations laid down pursuant to subsection (6).

(6) The Minister for Industry, Business and Financial Affairs shall specify more detailed regulations on outsourcing regarding

- 1) insurance undertakings' responsibility towards and control of a service provider, including their subcontracting,
- 2) insurance undertakings' internal guidelines for outsourcing, and
- 3) requirements that insurance undertakings shall ensure, at minimum, that service providers or subcontractors meet at all times and that must be agreed upon in the outsourcing contract.

(7) Subsections (2)-(4) and regulations laid down pursuant to subsection (6) shall not apply to the undertakings' authentication of users by using the MitID solution, cf. the Danish Act on MitID and NemLog-in.

### *Anonymous reporting to the insurance undertaking*

**Section 135** An insurance undertaking shall have an arrangement where its employees, through a specific, independent, and autonomous channel, can report breaches or potential breaches of financial regulation committed by the insurance undertaking, including its employees or members of the board of directors of the insurance undertaking. It shall be possible to submit information to this arrangement anonymously. The insurance undertaking shall follow up on reports under the arrangement and be able to document in writing how the insurance undertaking has followed up on the reports. The Danish Whistleblower Protection Act shall apply to the arrangement mentioned in the first sentence, cf. however, Section 2 of the Danish Whistleblower Protection Act.

(2) The arrangement in subsection (1) may be set up through collective agreement.

(3) Subsection (1) shall only apply where the insurance undertaking employs more than five employees.

The arrangement referred to in subsection (1) and (2) shall be set up no later than three months after the insurance undertaking has employed a sixth employee.

(4) In special cases, The Danish FSA may, if it deems the establishment of an arrangement to be without purpose, grant exemption from the requirements in subsection (1).

**Section 136** An insurance undertaking may not expose employees to unfair treatment or unfair consequences because they have reported the undertaking's breach or potential breach of financial regulation to the Danish FSA or to an arrangement in the undertaking. The same applies when determining, awarding, and paying variable remuneration to employees or former employees.

(2) Employees whose rights have been infringed in a breach of subsection (1) may be awarded compensation in accordance with the principles laid down by the Equal Treatment of Men and Women with regard to Employment, etc. Act (lov om ligebehandling af mænd og kvinder med hensyn til beskæftigelse m.v.). The compensation is determined considering the employee's length of service as well as the general circumstances of the case.

(3) Subsections (1) and (2) may not be derogated from to the detriment of the employee or the former employee.

**Section 137** In the event that an employee or former employee and an insurance undertaking enter into a confidentiality agreement, the said agreement shall state that the employee or former employee shall not be prevented from reporting information on breaches or potential breaches of financial regulation to public authorities.

(2) Notwithstanding subsection (1), the employee or former employee shall not be prevented from reporting information on breaches or potential breaches of financial regulation to public authorities, even if a prohibition to do so is included in an agreement between the employee or the former employee and the insurance undertaking. The same shall apply to submission of information to arrangements under Section 135.

#### *Obligation to provide information to the Danish FSA*

**Section 138** An insurance undertaking shall immediately notify the Danish FSA of any information that is of decisive importance to the continued operation of the insurance undertaking.

(2) The obligation to provide information in subsection (1) shall also apply to the individual member of the board of directors, a member of the board of management and the chief actuary of an insurance undertaking.

(3) A member of the board of directors or the management board of an insurance undertaking, the external auditor or the chief actuary shall immediately notify the Danish FSA if the said person suspects that the insurance undertaking does not meet any of the following requirements:

- 1) The minimum capital base requirement pursuant to Section 156(2) and (3).
- 2) The capital requirements or the solvency need pursuant to Section 156(4).
- 3) The solvency capital requirement pursuant to Section 154.
- 4) The minimum capital requirement pursuant to Section 155.

(4) Subsections (1)-(3) shall apply correspondingly to insurance undertakings or insurance holding undertakings on conditions in subsidiary undertakings which are insurance undertakings.

#### *Expertise in actuarial and financial mathematics and the responsible actuary*

**Section 139** The board of management shall ensure that an insurance undertaking has sufficient expertise to calculate technical provisions for accounting and solvency purposes.

(2) If the insurance undertaking has been granted a licence to carry out life assurance activities, the board of directors shall employ a responsible actuary to carry out the actuarial functions necessary, including calculations and investigations. The position as actuary shall not be compatible with the position as a member of the board of management or the board of directors of the insurance undertaking.

(3) The responsible actuary shall, in this connection, review the actuarial contents of the undertaking's activities and material, and ensure that the technical basis, etc., cf. Section 29, complies with the conditions mentioned in section 30(1)-(6) at any time.

(4) The responsible actuary shall immediately notify the Danish FSA of any disregard of the conditions mentioned in subsection (3). The responsible actuary shall be entitled to request from the board of management any information necessary for the execution of his or her duties. The Danish FSA may request from the responsible actuary the information necessary to assess the financial position of the undertaking.

(5) The Danish FSA may lay down more detailed provisions on the conditions mentioned in subsections (2)-(4), including the requirements that a person shall be required to fulfil in order to be employed as the responsible actuary.

### *Publication*

**Section 140** An insurance undertaking which has a website shall publish information on its compliance with the requirements in Sections 95(1), no. 4, and Sections 107 and 108, to the extent that the requirements concerned apply to the undertaking.

(2) Publication pursuant to subsections (1) shall be made on the website of the insurance undertaking in a place where it logically belongs.

**Section 141** Furthermore, an insurance undertaking shall publish information on how the insurance undertaking complies with the requirements in Sections 142-144, 146 and 151, to the extent that those requirements apply to the insurance undertaking.

(2) A group 1 insurance undertaking which has a website shall disclose information on how it complies with the requirements set out in Article 258(1), point (1), and Article 275(1), points (a) and (b), and Article 275(2), points (a), (d)-(f) and (h), of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

(3) Publication pursuant to subsections (1) and (2) shall be made on the website of the insurance undertaking in a place where it logically belongs.

## Part 13

### *Remuneration*

#### *Written remuneration policy*

**Section 142** Group 1 insurance undertakings and insurance undertakings with a group 1 insurance undertaking as a subsidiary undertaking shall adopt a written remuneration policy in accordance with Article 258(1), point (1), and Article 275 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (hereinafter the "Solvency II regulation").

(2) The undertaking's remuneration policy shall be gender neutral.

**Section 143** A group 2 insurance undertaking and an insurance holding undertaking that do not have a

group 1 insurance undertaking as a subsidiary undertaking, shall adopt a written remuneration policy that promotes sound and effective risk management.

(2) The undertaking's remuneration policy shall be gender neutral.

**Section 144** The supreme body of the undertaking shall approve the remuneration policy of the undertaking, cf. Sections 142 and 143, including guidelines for allocation of variable remuneration and guidelines for redundancy pay in connection with any significant change and at least every four years. The remuneration policy of the insurance undertaking and the insurance holding undertaking shall be published on the undertaking's website as soon as possible after approval. The remuneration policy shall remain publicly available on the website for as long as it is in force.

(2) The chairman of the board of directors shall account for the remuneration of the board of directors and board of management in his or her report to the supreme body of the undertaking. The account shall contain information about remuneration in the preceding financial year and about the expected remuneration in the current and next financial years. The chairman of the board of directors shall in his or her report to the supreme body of the undertaking explain and give the grounds for the content of the remuneration policy and compliance with said policy.

(3) The undertaking's supreme body shall approve the remuneration for the undertaking's board of directors for the current financial year.

(4) The board of directors of an insurance undertaking and an insurance holding undertaking shall prepare and publish a remuneration report annually.

(5) The remuneration report shall include the following:

- 1) Information on the total emoluments for each member of the board of directors and board of management received from the undertaking and other undertakings within the same group as part of their duties and responsibilities for the last three years, including information on the main content of retention and severance schemes.
- 2) An account of the relationship between management remuneration and the undertaking's strategy and relevant targets of the strategy.

(6) The remuneration report shall, as soon as possible after the general meeting, be published on the undertaking's website. The remuneration report must remain publicly available on the website for a period of 10 years. The remuneration report may remain available for a longer period than 10 years, provided it no longer contains personal data.

#### *Remuneration in connection with insurance distribution*

**Section 145** A group 1 insurance undertaking and a group 2 insurance undertaking shall ensure that the remuneration structures of the undertaking in the conduct of insurance distribution do not conflict with the undertaking's obligation to act in the best interests of the client, including the fair business principles in Section 67(1) and regulations issued pursuant to Section 67(2). The same shall apply to remuneration, cf. Section 9(1), no. 41, which the undertaking receives for the purposes of providing insurance distribution.

(2) A group 1 insurance undertaking and a group 2 insurance undertaking may not introduce remuneration schemes or sales targets that encourage the undertaking or its employees to recommend a particular insurance product to a client when the undertaking offers another product that better meets the customers' needs.

(3) A group 1 insurance undertaking and a group 2 insurance undertaking, which conducts insurance distribution via an ancillary insurance intermediary, cf. Section 2(1), no. 5, of the Danish Insurance Mediation Act, exclusively distributing insurance contracts exempted from the Danish Insurance

Mediation Act, cf. Section 1(2) of the Danish Insurance Mediation Act, shall ensure that the relevant ancillary insurance intermediary has appropriate and proportional arrangements for the purposes of complying with subsections (1) and (2).

(4) Sections (1-3) shall not apply to conditions covered by a collective agreement that observes the principles in subsections (1) and (2).

#### *Remuneration of the management and significant risk takers*

**Section 146** In connection with remuneration by insurance undertakings and insurance holding undertakings of the board of directors, the board of management and other employees whose activities significantly influence the risk profile of the undertaking, the undertaking shall ensure compliance with the following:

- 1) The variable components of the remuneration of a member of the board of directors or board of management shall, at the time of calculation of the variable remuneration, not exceed more than 50% of either the remuneration or the fixed basic salary, including pension, respectively.
- 2) The variable components of the remuneration for other employees whose activities significantly influence the risk profile of the undertaking, shall not exceed more than 100% of the fixed basic salary, including pension, at the time of calculation of the variable remuneration.
- 3) The undertaking's supreme body may, however, decide that the variable components of the remuneration for other employees whose activities significantly influence the risk profile of the undertaking, cf. no. 2, may amount to up to 200% of the fixed basic salary, including pension, provided that the following requirements are met:
  - a) The undertaking shall, no later than at the notice convening a meeting in the supreme body, inform the supreme body that it wishes the supreme body to consider using a higher maximum ceiling.
  - b) The supreme body shall take the decision regarding use of a higher maximum ceiling on the basis of a detailed recommendation from the undertaking giving reasons for this recommendation, including the number of staff affected, their functions, the new maximum ceiling proposed and the expected impact on the undertaking's possibility to maintain a sound capital base. The capital owners shall receive the recommendation no later than at the same time as the notice convening the meeting of the supreme body.
  - c) The undertaking shall, no later than at the same time as facilitation of the recommendation to the capital owners, cf. point (b), inform the Danish FSA about the recommendation to the capital owners, including the proposed higher maximum ceiling and the reason for the recommendation. The undertaking shall, at the request of the Danish FSA, establish that the higher maximum ceiling proposed does not contravene the duties of the undertaking pursuant to statutory obligations, regulations issued pursuant to Section 152 and the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), including the capital base requirements in particular.
  - d) The decision to use a higher maximum ceiling shall be endorsed by the supreme body of the undertaking by 66% as a minimum of the votes cast, provided that at least 50% of the holdings with voting rights are represented at the meeting. Where less than 50% of the holdings with voting rights are represented at the meeting, the decision shall be adopted by at least 75% of the votes cast. An employee who is a capital owner in the undertaking may not participate in the vote in this respect at the meeting of the supreme body, if the employee has significant interest in the decision which may contravene the interests of the undertaking.
  - e) The undertaking shall, no later than eight days after the meeting of the supreme body inform the

Danish FSA about the decision made by the supreme body, including the size of any higher maximum ceiling decided.

- 4) At least 50 percent of a variable component of remuneration for the management body and other employees whose activities have a material impact on the undertaking's risk profile shall, on the day the variable component of remuneration is calculated, consist of a balance of shares or equivalent ownership interests depending on the undertaking's legal structure, share-based instruments, subordinated debt in the undertaking or other instruments which appropriately reflect the credit rating of the undertaking as an undertaking whose activity is presumed to continue. The instruments may be issued in the undertaking or its parent undertaking which fully owns the undertaking.
- 5) Payment of no less than 40% of a variable component of the remuneration – for larger amounts no less than 60% – shall take place over a period of at least four years starting one year after the time of calculation, however, for the board of directors and board of management at least five years. Payments shall be distributed equally over the years or with a growing percentage at the end of the period.
- 6) The undertaking may wholly or partly omit to pay a variable component of the remuneration, if the undertaking at the time of payment of the variable component of the remuneration is not in compliance with the solvency capital requirement in Sections 154 and 166, or if the Danish FSA assesses that there is immediate risk of this.
- 7) The undertaking shall not pay variable remuneration to the board of directors and board of management if the Danish FSA pursuant to Section 223 requires that the undertaking develop a plan for restoring its financial position.

(2) For the board of directors and board of management share options or similar instruments may not exceed 12.5% of the remuneration and the fixed basic salary, including pension, respectively, at the time of the calculation hereof.

(3) The undertaking shall ensure that shares and instruments, etc. that are transferred to the board of directors, the board of management or other employees whose activities significantly influence the risk profile of the undertaking as part of the variable remuneration mentioned in subsection (1), no. 4, are not to be sold by such persons for an appropriate period.

(4) The undertaking shall ensure that payment of the postponed variable component of the remuneration under subsection (1), no. 5, for the board of directors, the board of management and other employees whose activities significantly influence the risk profile of the undertaking, is conditional upon the criteria that have formed the basis for calculating the variable component of the remuneration continuing to be complied with at the time of payment, and is on the condition that the person concerned has complied with appropriate fitness and propriety requirements and has not participated in or been responsible for a behaviour which has incurred significant losses for the undertaking, as well as on the condition that the financial situation of the undertaking has not been substantially impaired relative to the time when the variable component of the remuneration was calculated.

(5) An undertaking shall ensure that the board of directors, the board of management and other employees whose activities significantly influence the risk profile of the undertaking and who are receiving variable remuneration, wholly or partly repay the variable remuneration, if the variable remuneration has been paid on the basis of information about results which can be documented as false, and if the recipient was in bad faith.

(6) If an undertaking grants the board of directors, the board of management or other employees whose activities have a material impact on the undertaking's risk profile, pension benefits that constitute variable components of the remuneration, cf. Section 9(1), no. 41, and if the recipient leaves the undertaking before the time of pension, the undertaking shall keep that pension benefit in the form of the instruments

mentioned in subsection (1), no. 4, for a period of 5 years. Subsections (4) and (5) shall apply correspondingly to the cases mentioned in the first sentence. If the recipient is a member of the board of directors or is an employee of the undertaking at the time of retirement, the undertaking shall pay the variable component of the pension benefit to the recipient in the form of the instruments mentioned in subsection (1), no. 4, without the option of sale or utilisation for a period of 5 years. Subsection (5) shall apply correspondingly to the cases mentioned in the third sentence.

(7) For persons in employment relationships covered by a collective agreement, subsections (1)-(6) shall only apply to agreements on variable remuneration components if the agreements on variable remuneration are not specified in the collective agreement.

#### *Severance schemes for members of the board of management*

**Section 147** If an insurance undertaking or an insurance holding undertaking enters into an agreement on a severance scheme with a member of the board of management, and if the value of the scheme exceeds an amount corresponding to the total remuneration of the person concerned in the last two financial years, including pension, the undertaking shall disclose the amount of the total remuneration, including the amount of the individual remuneration components, and the grounds for the amount of the remuneration components.

(2) The publication under subsection (1) shall be made on the undertaking's website in the same place as the undertaking's remuneration policy is published and shall be made as soon as possible and no later than three business days after the agreement has been concluded. The information about a member of the board of management's severance scheme shall be available as long as the agreement is in effect.

**Section 148** Salary during an agreed notice period for a member of the board of management of an insurance undertaking or insurance holding undertaking that is not matched by a normal work obligation shall be paid monthly over the notice period.

**Section 149** Severance pay to a member of the board of management of an insurance undertaking or insurance holding undertaking shall reflect performance achievements and shall not reward misconduct or failure to produce results.

(2) The severance payment shall be paid in monthly instalments corresponding to the amount of the recipient's average monthly salary, including pension, in the most recent financial year.

(3) The payment of the severance pay may at the earliest commence after any potential salary during the termination period has been fully paid.

(4) The board of directors shall suspend the payment of the severance payment if the board of directors assesses that the member of the management board during his or her employment has demonstrated behaviour that is regarded as a serious management failure. The board of directors shall withhold the payment of the severance payment if the undertaking is charged with criminal conduct which can be attributed to the member of the management board, or if the board of directors becomes aware that the member of the management board is charged with criminal offenses committed in connection with his or her employment in the undertaking.

(5) The board of directors shall demand refund of any severance payments paid in whole or in part before the board of directors became aware of the conduct or circumstances covered by subsection (4).

**Section 150** Sections 147-149 may not be derogated from by agreement, including an agreement on a severance scheme for a member of the board of management in an insurance undertaking or an insurance holding undertaking entered into with another undertaking in the group which is not covered by the regulations.

### *Remuneration committee*

**Section 151** A group 1 insurance undertaking, a group 2 insurance undertaking and an insurance holding undertaking whose holdings have been admitted to trading on a regulated market, or which, in the two most recent financial years at the balance sheet date, on average have employed 1,000 or more full-time employees, shall set up a remuneration committee, cf. however, subsection (2).

(2) Groups with several undertakings which pursuant to subsection (1) are obliged to set up a remuneration committee may, however, set up a joint remuneration committee for such undertakings in the group or part thereof. In terms of organisation, the remuneration committee shall be placed in an undertaking supervised by the Danish FSA and shall be set up in an undertaking which is a parent undertaking for the other undertakings for which the committee has been set up.

(3) The chairman and the members of the remuneration committee shall be members of the board of directors of the undertaking which sets up the remuneration committee, or of the board of directors of undertakings which, under subsection (2), have a joint remuneration committee. The remuneration committee shall be composed in such a way that the members have the necessary knowledge and qualifications and competences to understand and monitor the undertaking's remuneration policy and practice, risk management and monitoring activities, particularly as regards adaptation of the undertaking's remuneration structure to the undertaking's risk profile and management of capital and liquidity, and are in a position to make a qualified, independent assessment of whether remuneration by the undertaking, including remuneration policy and associated procedures, is in compliance with either Article 275 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council with regard to the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), Section 142(1) and (2) and Sections 145 and 146 and regulations issued pursuant to Section 152 for group 1 insurance undertakings or Section 143(1) and (2) and Sections 145 and 146 and regulations issued pursuant to Section 152 for group 2 insurance undertakings.

(4) The remuneration committee shall be responsible for the preparatory work for the board of directors' decisions regarding remuneration, including remuneration policy and other decisions that may have influence on the undertaking's risk management, and in that connection undertake the following:

- 1) The remuneration committee shall advise the board of directors on the formulation of the undertaking's remuneration policy, assist the board of directors in its supervisory function by ensuring compliance with the undertaking's remuneration policy in practice, and determine whether the undertaking's remuneration policy is up to date, including offering suggestions for updating the remuneration policy if necessary.
- 2) The remuneration committee shall ensure that the information provided to the supreme body for the undertaking's remuneration policy and practice, and information pursuant to Section 146, subsection (1), no. 3, points (a) and (b), is adequate.
- 3) The remuneration committee shall assess whether the undertaking's processes and systems are adequate and take into account the undertaking's risks, including risks associated with the management of capital and liquidity, relating to the undertaking's remuneration structure, and ensure that the undertaking's remuneration policy and practice are in compliance with and promote healthy and effective risk management, and comply with the undertaking's business strategy, objectives, values and long-term interests.
- 4) The remuneration committee shall assess the overall results of the undertaking and the business units and ensure that the board of directors has evaluated the performance criteria used to calculate the variable remuneration for the undertaking's other employees whose activities have a material impact

on the undertaking's risk profile, cf. Section 146(4).

- 5) The remuneration committee shall control selected evaluations made by the board of directors, cf. no. 4, to test whether the conditions in Section 146, subsection (4), are complied with.
- 6) The remuneration committee shall ensure that the independent control functions and other relevant functions are brought in where necessary in order to carry out the tasks in nos. 1-5 and seek external advice where necessary.

(5) The remuneration committee may perform other functions concerning remuneration. The committee shall, in the preparatory work, manage the long-term interests of the undertaking, including in relation to investors and the interest of the general public.

(6) In undertakings covered by subsection (1) with employee representation in the board of directors pursuant to the regulations in Part 8 of the Danish Companies Act, at least one representative shall be a member of the remuneration committee set up pursuant to subsection (1) or (2).

#### *More detailed regulations on remuneration*

**Section 152** The Minister for Industry, Business and Financial Affairs may establish more detailed regulations for insurance undertakings and insurance holding undertakings on the definition of other employees whose activities have a material influence on the risk profile of the undertaking.

(2) For insurance undertakings and insurance holding undertakings, the Minister for Industry, Business and Financial Affairs may establish rules on remuneration policy and the remuneration for the board of directors, the board of management and other employees whose activities have a material impact on the risk profile of the undertaking, supplementing the regulations in Articles 258 and 275 of Regulation 2015/35/EU of the European Parliament and of the Council of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II).

(3) The Minister for Industry, Business and Financial Affairs may establish more detailed regulations on the obligation of insurance undertakings and insurance holding undertakings to publish information on the remuneration of the board of directors, the board of management and other employees whose activities have a material influence on the undertaking's risk profile.

(4) The Minister for Industry, Business and Financial Affairs may establish more detailed regulations for insurance undertakings on remuneration awarded or paid for the purpose of exercising insurance distribution.

## V.

### **Technical provisions and capital position of insurance undertakings**

#### Part 14

#### *Solvency, technical provisions, and capital position*

#### *Group 1 insurance undertakings' own funds*

**Section 153** The own funds of group 1 insurance undertakings consist of the sum of the basic own funds and the additional own funds. Use of additional own funds in calculating the own funds is subject to the authorisation of the Danish FSA.

(2) The basic own funds consist of

- 1) the sum of the amount by which the value of assets exceeds the value of obligations, the value of

which shall be stated in accordance with the regulations laid down pursuant to Sections 132(2) and 158(5), reduced by the value of own shares owned by the group 1 insurance undertaking, and

2) subordinated debt.

(3) The additional own funds consist of capital that is not included in the basic own funds, and which can be used to cover losses.

(4) Article 97 in Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency

II) establishes the capital that may be included in the own funds. Group 1 insurance undertakings wishing to use other capital shall apply to the Danish FSA for prior authorisation.

(5) The Danish FSA may lay down more detailed regulations regarding calculation of own funds for group 1 insurance undertakings.

**Section 154** The board of directors and board of management of group 1 insurance undertakings shall ensure that the undertaking's own funds cover the solvency capital requirement calculated by the undertaking, cf. subsection (2), at all times.

(2) The solvency capital requirement is calculated either using the standard formula or using an internal model authorised by the Danish FSA, cf. however, subsection 4.

(3) Group 1 insurance undertakings that use the standard formula may apply undertaking-specific parameters when calculating the solvency capital requirement, subject to the authorisation of the Danish FSA.

(4) Should the risk profile of the group 1 insurance undertaking deviate substantially from the prerequisites on which the standard formula is based, the Danish FSA may require the undertaking to use an authorised internal model to calculate the solvency capital requirement for the relevant risk modules.

(5) At a minimum, group 1 insurance undertakings shall calculate the solvency capital requirement once a year and then report the result to the Danish FSA. In the event of changes of material significance to the calculated solvency capital requirement, the undertaking shall conduct a new calculation and immediately report the result to the Danish FSA.

(6) The Danish FSA may establish more detailed regulations on own funds that may be used to cover the solvency capital requirement, on the calculation of the solvency capital requirement using the standard formula, and on the criteria for the Danish FSA's authorisation and calculation of any internal model.

**§ 155** The board of directors and board of management of group 1 insurance undertakings shall ensure that the undertaking's basic own funds cover the minimum capital requirement calculated by the undertaking at all times.

(2) The minimum capital requirement shall comprise whichever is greatest of the amounts in subsection (3), and whichever is greatest of the amounts relevant to the undertaking in subsection (5).

(3) The European Commission, pursuant to Article 130 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), establishes regulations on how group 1 insurance undertakings shall calculate the minimum capital requirement. The calculated minimum capital requirement shall comprise no less than 25% and no more than 45% of the undertaking's solvency capital requirement calculated in accordance with Section 154, including any additional capital as decreed by the Danish FSA pursuant to Section 276. In the event that the actual calculated minimum capital requirement is less than 25% of the undertaking's solvency capital requirement, the minimum capital requirement will be set at 25%. In the event that the actual calculated minimum capital requirement is greater than 45% of the undertaking's solvency capital requirement, the minimum capital requirement will be set at 45%.

(4) Group 1 insurance undertakings shall submit a justification to the Danish FSA in connection with

reporting pursuant to subsection (6) if the actual calculated minimum capital requirement is outside of the range in subsection (3).

(5) The lower limits for the minimum capital requirement are:

- 1) EUR 4m for insurance undertakings carrying out activities covered by Annex 2.
- 2) EUR 2.7m for insurance undertakings carrying out activities within insurance classes 1-9 and 16-18, cf. Annex 1.
- 3) EUR 4m for insurance undertakings carrying out activities within insurance classes 10-15, cf. Annex 1.
- 4) EUR 3.9m for insurance undertakings carrying out reinsurance activities.
- 5) EUR 1.3m for captive reinsurance undertakings.

(6) At a minimum, group 1 insurance undertakings shall calculate the minimum capital requirement at the end of each quarter and then report the result to the Danish FSA.

(7) The Danish FSA may establish more detailed regulations on the basic own funds that may be used to cover the minimum capital requirement.

#### *The capital base for group 2 insurance undertakings*

**Section 156** The board of directors and board of management of group 2 insurance undertakings shall ensure that the undertaking has a capital base that is adequate to cover the undertaking's risks.

(2) The minimum capital base requirement for group 2 insurance undertakings is as follows, cf. however, subsection (3):

- 1) EUR 4m for undertakings carrying out activities covered by Annex 2.
- 2) EUR 2.7m for undertakings carrying out activities within insurance classes 1-9 and 16-18, cf. Annex 1.
- 3) EUR 3.9m for undertakings carrying out reinsurance activities.
- 4) EUR 1.3m for captive reinsurance undertakings.

(3) For mutual group 2 insurance undertakings covered by subsection (2), no. 2, in which the articles of association give the undertaking the possibility of collecting supplementary contributions or reducing the benefits, the minimum capital base requirement is as follows:

- 1) EUR 0.225m for Undertakings carrying out activities within insurance classes 1-8, 16 and 18, cf. Annex 1.
- 2) EUR 0.15m for undertakings carrying out activities within insurance classes 9 and 17, cf. Annex 1.

(4) The board of directors and board of management of group 2 insurance undertakings shall, on the basis of subsection (1), calculate the individual solvency need of the undertaking.

(5) The Danish FSA may stipulate a higher individual solvency requirement than the individual solvency need calculated by the undertaking pursuant to subsection (4).

**Section 157** The capital base for group 2 insurance undertakings shall comprise Tier 1 capital plus Tier 2 capital with a deduction.

(2) The Danish FSA shall lay down more detailed regulations for group 2 insurance undertakings' calculation of the capital base.

#### *Group 1 insurance undertakings' technical provisions for solvency purposes*

**Section 158** The board of directors and the board of management of group 1 insurance undertakings shall ensure that the undertaking is always in possession of adequate technical provisions to cover all insurance liabilities in respect of policy holders and other beneficiaries of insurance contracts. The board of directors and the board of management of group 1 insurance undertakings shall ensure that a risk-free

interest rate term structure established by the European Commission in accordance with Article 77(e)(2) of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), as amended, is used to calculate technical provisions.

(2) The Danish FSA may permit a group 1 insurance undertaking to use a matching adjustment for the risk-free interest rate term structure in subsection (1) for a portfolio of insurance liabilities selected by the undertaking.

(3) A group 1 insurance undertaking may, subject to notification to the Danish FSA, use a volatility adjustment for the risk-free interest rate term structure in subsection (1) for technical provisions where the undertaking does not use a matching adjustment pursuant to subsection (2).

(4) The Danish FSA may establish more detailed regulations on the matching adjustment calculation and on the prerequisites for obtaining authorisation, cf. subsection (2), and on the volatility adjustment, cf. subsection (3).

(5) The Minister for Industry, Business and Financial Affairs shall establish more detailed regulations on the valuation of assets and liabilities, including technical provisions for solvency purposes, cf. subsection (1), first sentence, for group 1 insurance undertakings and groups covered by Section 166(1) and (2).

#### *Group 2 insurance undertakings' technical provisions for solvency purposes*

**Section 159** The board of directors and the board of management of group 2 insurance undertakings shall ensure that the undertaking is always in possession of adequate technical provisions to cover all insurance liabilities in respect of policy holders and other beneficiaries of insurance contracts.

(2) The Danish FSA may order a group 2 insurance undertaking to use the risk-free interest rate term structure in Section 158(1) when calculating technical provisions.

#### *Group 1 insurance undertakings' analyses of changes in significant risks*

**Section 160** Group 1 insurance undertakings shall analyse which changes in significant risks affect the own funds, solvency capital requirement and minimum capital requirement calculated by the undertaking. The undertaking shall report the result to the Danish FSA on a quarterly basis according to the same time limits that apply to the quarterly reporting forms, cf. Article 312(1)(d) of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

(2) The Minister for Industry, Business and Financial Affairs may establish more detailed regulations on the analyses that the undertaking shall perform pursuant to subsection (1).

#### *Establishment of regulations on own funds*

**Section 161** The Danish FSA may lay down regulations regarding issuance of debt instruments by financial undertakings with terms about conversion to share capital, guarantee capital or cooperative capital, including the extent to which Part 10 of the Danish Companies Act shall apply.

**Section 162** The Danish FSA shall lay down more detailed regulations for:

- 1) the time limits for reporting as a result of regulations issued pursuant to Article 35(9) of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II),
- 2) calculations pursuant to Section 156(1) and (4), and
- 3) notification of the requirement for minimum capital base and capital base for group 2 insurance

undertakings.

### *Contingency fund*

**Section 163** An insurance undertaking may, if the articles of association contain provisions in this respect, make provisions to a contingency fund.

(2) Funds which have been allocated to the contingency fund, may not be withdrawn from said contingency fund. Similarly, no changes to the articles of association may be made, which have the effect that funds that have already been allocated to the contingency fund under subsection (1) can be withdrawn from said contingency fund. The funds of the contingency fund may, however, be used to cover losses in connection with payment of insurance liabilities, or in other ways that are advantageous for the insured parties.

### *Report on solvency and financial situation*

**Section 164** Group 1 insurance undertakings shall publish an annual report on their solvency and financial situation. Furthermore, group 1 insurance undertakings shall submit a regular supervisory report to the Danish FSA on their solvency and financial situation according to time limits set out in the Commission Delegated Regulation (EU) 2015/35 of October 10, 2014, supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

(2) Undertakings covered by Section 166(1) and (2) shall publish an annual report on the solvency and financial situation of the group. Furthermore, undertakings covered by Section 166(1) and (2) shall submit a regular supervisory report on the solvency and financial situation of the group to the Danish FSA in accordance with the time limits set out in the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

(3) The Minister for Industry, Business and Financial Affairs may lay down detailed rules regarding the information that the reports must contain, and on the publication and submission of such reports to the Danish FSA.

## Part 15

### *Group regulations, consolidation, etc.*

#### *Notification of exposures by groups*

**Section 165** Groups where the ultimate parent undertaking in Denmark is an insurance undertaking or where the parent undertaking is an insurance holding undertaking, shall once a year notify all exposures representing more than 10% of the group's own funds to the Danish FSA.

(2) The Danish FSA shall lay down more detailed regulations on notification pursuant to subsection (1).

#### *Special regulations on group solvency and group supervision for group 1 insurance undertakings, etc.*

**Section 166** The board of directors of an insurance holding undertaking or a financial holding undertaking which meets the conditions set out in Section 9(1), no. 9, shall ensure that the group holds own funds to cover the solvency capital requirement for the group, when at least one of its subsidiary undertakings carries out insurance business. However, this does not apply where the group only conducts

insurance business through group 2 insurance undertakings.

(2) Subsection (1) shall also apply to a group 1 insurance undertaking and associated undertakings carrying on insurance business. However, this does not apply if the associated undertakings only conduct insurance business through group 2 insurance undertakings.

(3) The own funds for the group, cf. subsection (1) and (2), shall be calculated in accordance with Section 153 and regulations issued pursuant to subsection (10).

(4) The solvency capital requirement for the group shall be calculated using a method based on accounting consolidation, however, cf. subsection (5), and either by applying the standard formula in accordance with Section 154, subsection (2) and (3), or by applying an internal model for the group authorised by the Danish FSA.

(5) In exceptional circumstances, the Danish FSA may decide that the solvency capital requirement for the group is not to be calculated using a method based on accounting consolidation in accordance with subsection (4), or that the calculation using a method based on accounting consolidation in accordance with subsection (4) shall be combined with another calculation method.

(6) Should the group not meet the solvency capital requirement, Section 223 shall apply.

(7) The Danish FSA may set additional capital for the group in accordance with Section 278.

(8) The Danish FSA may decide not to include an undertaking in the group when calculating the solvency capital requirement for the group when:

- 1) the undertaking is located in a third country where there are legal obstacles to the disclosure of the necessary information,
- 2) the undertaking intended to be included is of minor importance for the purposes of group supervision unless the undertaking taken together with several other undertakings in the group as a whole is not of minor importance, or
- 3) considering the purposes of group supervision, it would be inappropriate or misleading to include the undertaking in question.

(9) Undertakings covered by subsections (1) and (2) shall, at a minimum, calculate the solvency capital requirement for the group once a year and then report the result to the Danish FSA. Undertakings covered by subsections (1) and (2) shall, in the event of changes of material significance to the calculated solvency capital requirement for the group, immediately prepare a new calculation and then report the result to the Danish FSA.

(10) The Danish FSA may establish more detailed regulations on own funds for the group covered by subsections (1) and (2) that may be used to cover the solvency capital requirement for the group, on the calculation of the solvency capital requirement for the group in accordance with subsections (4) and (5), and on the Danish FSA's authorisation of any internal model for the group and on the risk concentration. Furthermore, the Danish FSA may establish more detailed regulations on equivalence for cases where the parent undertaking of a group 1 insurance undertaking has its head office in a country outside the European Union with which the Union has not concluded an agreement for the financial area.

**Section 167** The Danish FSA may decide that Section 166 or parts thereof shall apply to the Danish part of the group. The ultimate insurance undertaking, the ultimate insurance holding undertaking or the ultimate financial holding undertaking meeting the conditions in Section 9(1), no. 9, in the Danish part of the group shall ensure compliance with these provisions.

(2) Reasons for decisions according to subsection (1) shall be given to both the group supervisor pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and to the ultimate parent undertaking at Community level.

**Section 168** If a decision has been made pursuant to Section 167(1), the Danish FSA may enter into an agreement with the supervisory authorities of other Member States in accordance with Article 217(1) of the Directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) as amended by Directive 2014/51/EC of the European Parliament and of the Council of April 16, 2014. In such cases, the Danish FSA, together with the supervisory authorities with which such an agreement has been concluded, is required to justify the agreement to both the group supervisor under the Directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and the ultimate parent undertaking at Community level.

**Section 169** The Danish FSA shall together with other relevant supervisory authorities give the group an opportunity to state its opinion before deciding which of the supervisory authorities of several Member States is the group supervisor under Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), in the specific cases covered by Article 247(3) of the Directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) as amended by Directive 2014/51/EC of the European Parliament and of the Council of 16 April 2014. If the Danish FSA has been designated as the group supervisor, the Danish FSA shall communicate the reasons for the decision to the group after the decision has been made.

(2) If the Danish FSA has been designated as the group supervisor in accordance with Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), the Danish FSA is required to communicate a reasoned decision to the group and the college of supervisors in cases where the European Insurance and Occupational Pensions Authority (EIOPA) takes a decision in accordance with Article 247(4) and (5) of the Directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) as amended by Directive 2014/51/EC of the European Parliament and of the Council of 16 April 2014.

#### *Separation, disposal, and intra-group transactions*

**Section 170** The Danish FSA may order a parent undertaking which has ownership interests in one or more insurance undertakings to separate the insurance undertakings in a subgroup under a financial holding undertaking or an insurance holding undertaking where:

- 1) the group is structured in a manner which entails that the parent undertaking need not meet the solvency capital requirement for the group in Section 166(1), (2), (4) and (5),
- 2) a member of the board of directors or the board of management of the parent undertaking falls within the scope of Section 105(1), nos. 3-5, or
- 3) the structure renders performance of the tasks of the Danish FSA difficult in other ways.

**Section 171** The Danish FSA may order an insurance holding undertaking to dispose of ownership interests in an insurance undertaking where:

- 1) the group does not meet the solvency capital requirement in Section 166(1), (4) and (5),
- 2) a member of the board of directors or the board of management of the insurance holding undertaking does not have sufficient experience to carry out the business or position, or falls within the scope of Section 105(1), nos. 3-5, or
- 3) the insurance holding undertaking impairs appropriate and reasonable management of the insurance undertaking.

**Section 172** The Danish FSA shall lay down more detailed regulations on transactions carried out

between an insurance undertaking and

- 1) undertakings directly or indirectly linked with said insurance undertaking as subsidiary undertakings, associated undertakings or parent undertakings, or as the parent undertaking's associated undertakings and other subsidiary undertakings,
- 2) undertakings or persons linked to the insurance undertaking through close links, or
- 3) undertakings not covered by nos. 1 and 2 where the majority of the members of the management of said undertakings are the same individuals or where the undertakings have joint management under an agreement or provisions in their articles of association.

(2) Intra-group transactions carried out contrary to regulations laid down in subsection (1) shall be cancelled so that performance of all transactions is reversed where possible, including the termination of any collateralisation. Payments from the insurance undertaking made in connection with intra-group transactions contrary to regulations laid down in pursuance of subsection (1) shall be returned with annual interest at an amount corresponding to the interest stipulated in section 5(1) and (2) of the Danish Interest Act (renteloven).

**Section 173** An insurance undertaking shall not, without a licence from the Danish FSA, have exposures to other undertakings within the same group, except for exposures to subsidiary undertakings.

(2) An insurance undertaking may furthermore not have an exposure to undertakings or persons who exercise direct or indirect controlling influence in the insurance undertaking, or who are controlled by undertakings or persons with such an influence.

(3) The Danish FSA may allow exemptions from subsection (2).

**Section 174** The Danish FSA may in certain cases, where a parent undertaking of a group is an insurance holding undertaking or an insurance undertaking, deviate from provisions for groups laid down in this Act or in regulations issued pursuant to this Act taking into account the purpose of the relevant provisions and the activities of the group. The first sentence shall also apply to groups covered by Section 166(2) if the ultimate parent undertaking of the group is not located in Denmark.

## Part 16

### *Investments*

#### *The prudent person principle*

**Section 175** Insurance undertakings shall invest their assets in such a way as to safeguard the interests of the policyholders and beneficiaries to the best of their abilities.

#### *Active ownership*

**Section 176** A group 1 insurance undertaking conducting business activities covered by Annex 2 and an insurance undertaking carrying out reinsurance of life insurance obligations which invests directly or through an asset manager in shares traded on a regulated market shall prepare and publish an active ownership policy describing how the undertaking integrates active ownership into its investment strategy.

(2) For group 1 insurance undertakings conducting business activities covered by Annex 2 and insurance undertakings carrying out reinsurance of life insurance obligations, the policy on active ownership shall also describe how the undertaking:

- 1) within relevant areas monitors undertakings that are invested in, including strategy, financial and non-financial performance, risk, capital structure, social and environmental impact and corporate governance,
- 2) pursues dialogues with undertakings that are invested in,

- 3) exercises voting rights and other rights related to shares,
  - 4) works with other shareholders,
  - 5) communicates with relevant stakeholders in undertakings that are invested in, and
  - 6) manages actual and potential conflicts of interest related to the active ownership of the undertaking.
- (3) A group 1 insurance undertaking conducting business activities covered by Annex 2 and an insurance undertaking carrying out reinsurance of life insurance obligations shall, once a year, publish how the undertaking's active ownership policy has been implemented, including publication of a general description of the voting record, an account of the most important votes and the undertaking's use of services rendered by proxy advisors.
- (4) A group 1 insurance undertaking conducting business activities covered by Annex 2 and an insurance undertaking carrying out reinsurance of life insurance obligations shall disclose how it has voted at general meetings of Undertakings in which it holds shares. Votes that are insignificant due to the subject matter of the vote or the size of the shareholding in the undertaking concerned may be omitted from the publication.
- (5) A group 1 insurance undertaking conducting business activities covered by Annex 2 and an insurance undertaking carrying out reinsurance of life insurance obligations may choose not to comply with one or more of the requirements set out in subsections (1)-(4) if the undertaking publishes a clear and reasoned explanation as to why it has made that choice.
- (6) The information to be published in accordance with subsections (1)-(5) shall be made available free of charge on the website of the group 1 insurance undertaking conducting business activities covered by Annex 2 and the website of the insurance undertaking carrying out reinsurance of life insurance obligations.
- (7) If an asset manager implements the policy on active ownership, including voting, on behalf of a group 1 insurance undertaking conducting business activities covered by Annex 2 and an insurance undertaking carrying out reinsurance of life insurance obligations, the undertaking shall refer to the place where the asset manager has published information on voting.
- (8) Regulations on conflicts of interest in other legislation applicable to group 1 insurance undertakings conducting business activities covered by Annex 2 and insurance undertakings carrying out reinsurance of life insurance obligations shall correspondingly apply to activities regarding active ownership.

**Section 177** A group 1 insurance undertaking conducting business activities covered by Annex 2 and an insurance undertaking carrying out reinsurance of life insurance obligations which invests directly or through an asset manager in shares traded on a regulated market shall publish how the main elements of its equity investment strategy are consistent with the profile and duration of its insurance liabilities, in particular its long-term liabilities, and how the main elements contribute to the medium to long-term performance of its assets.

(2) Where an asset manager invests on behalf of a group 1 insurance undertaking conducting business activities covered by Annex 2 and an insurance undertaking carrying out reinsurance of life insurance obligations, either on a discretionary basis or through an UCITS, the undertaking shall disclose the following information about its arrangement with the asset manager:

- 1) How the arrangement incentivises the asset manager to align its investment strategy and investment decisions with the profile and duration of the insurance liabilities, in particular the long-term liabilities of the group 1 insurance undertaking conducting the business activities listed in Annex 2 and the insurance undertaking carrying out reinsurance of life insurance obligations.
- 2) How the arrangement incentivises the asset manager to make investment decisions based on assessments of the medium to long-term financial and non-financial performance of the undertaking

being invested in and to engage with undertakings being invested in to improve their medium to long-term performance.

- 3) How the method and time horizon for evaluating the asset manager's performance and the remuneration for the asset manager's services is consistent with the profile and duration of the insurance liabilities, in particular the long-term liabilities, under consideration of the long-term performance of the group 1 insurance undertaking conducting business activities covered by Annex 2 and the insurance undertaking carrying out reinsurance of life insurance obligations.
- 4) How the group 1 insurance undertaking conducting business activities covered by Annex 2 and the insurance undertaking carrying out reinsurance of life insurance obligations monitor the portfolio turnover costs of the asset manager and how it determines and monitors a planned target portfolio turnover or a planned turnover range.
- 5) The duration of the arrangement with the asset manager.

(3) A group 1 insurance undertaking conducting business activities covered by Annex 2 and an insurance undertaking carrying out reinsurance of life insurance obligations shall publish a clear and well-founded explanation if the arrangement referred to in subsection (2) does not cover one or more of the aspects referred to in subsection (2), no. 1-5.

(4) The information to be published in accordance with subsections (1)-(3) shall be made available free of charge on the website of the group 1 insurance undertaking conducting business activities covered by Annex 2 and the website of the insurance undertaking carrying out reinsurance of life insurance obligations and shall be updated annually unless no significant changes have occurred.

## VI.

### Annual report and audit

#### Part 17

#### *Annual report and audit*

#### *General regulations regarding the annual report and audit*

**Section 178** For each financial year, insurance undertakings shall prepare and present financial statements comprising a balance sheet, an income statement, other comprehensive income, notes, including a statement of accounting policies, and a statement detailing the movements in equity. The financial statements shall be supplemented with:

- 1) financial statements of a group headed by the undertaking (consolidated financial statements),
- 2) a management review for the undertaking and for a group headed by the undertaking,
- 3) a management endorsement, and
- 4) auditor's certificate.

(2) The annual financial statements may be supplemented with supplementary reports, cf. Section 186.

(3) The common designation for the financial statements, reviews, endorsements, and certificates referred to in subsections (1) and (2) is the annual report.

**Section 179** The annual report shall be prepared in accordance with the regulations in this Part and regulations set out pursuant to Section 190.

**Section 180** Insurance undertakings that are not required to apply the international accounting standards, cf. Article 4 of Regulation no. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards, to their consolidated financial statements may choose to

apply the standards to their consolidated financial statements.

(2) Insurance undertakings that are under an obligation to apply or optionally apply the standards referred to in subsection (1) shall comply with all approved standards. Where provisions of this Act or provisions issued pursuant to Section 190 regulate the same aspects as the standards, undertakings shall apply the standards instead of the provisions concerned.

(3) The Danish FSA may lay down rules necessary for the application in Denmark of the regulation referred to in subsection (1).

#### *The management body's responsibility for the presentation of the annual report*

**Section 181** The board of directors and the board of management shall present the annual report of the undertaking.

(2) Each individual member of the management shall be responsible for ensuring that the annual report:

- 1) is prepared in accordance with the legislation and any further accounting and reporting requirements provided for in the articles of association or by agreement,
- 2) may be audited and approved in time, and
- 3) is submitted to the Danish FSA, cf. Section 188(1), and to the Danish Business Authority, cf. Section 189(1), within the time limits stipulated in the legislation.

**Section 182** When the annual report has been prepared, it shall be signed and dated by all members of the board of directors and the board of management. They shall affix their signatures to a management endorsement in which the name and function in the undertaking of each member is clearly stated, and in which they state whether:

- 1) the annual report has been presented in accordance with the requirements provided for by legislation and any requirements provided for by the articles of association or by agreement,
- 2) the financial statements and any consolidated financial statements give a true and fair presentation of the undertaking's assets and liabilities, financial position and results for the year and, if consolidated financial statements are prepared, the group's assets and liabilities, financial position and results for the year, and
- 3) the management review contains a true and fair report of the development of the activities and financial condition of the undertaking and, if consolidated financial statements have been prepared, the activities and financial condition of the group, as well as a description of the most important risks and uncertainty factors to which the undertaking or group respectively may be subject.

(2) If the annual report is signed digitally, cf. Section 307, the requirement in subsection (1) that the signature and the date of the signature shall be affixed to the management endorsement shall not apply. However, the signatory's name shall be clearly stated in connection with the management endorsement.

(3) If the management has added supplementary reports to the annual report, the members of the board of directors and the board of management shall state in the statement by management whether the statement gives a fair review in accordance with generally accepted guidelines for such reports.

(4) Even if a member of the management disagrees with an annual report in full or in part or has objections to the annual report being approved with the contents decided upon, said member shall not be entitled to omit to sign the annual report. However, such member of the management may state their objections giving specific and adequate grounds in connection with their signature and the statement by management.

#### *Basic requirements for the annual report*

**Section 183** The annual financial statements and any consolidated financial statements shall give a true

and fair presentation of the undertaking's and group's assets and liabilities, financial position, and results. The management's review shall contain a true and fair review of the circumstances dealt with in the review.

(2) If the application of the provisions of this Act or regulations issued pursuant to Section 190 is not sufficient to give a true and fair presentation in accordance with subsection (1), further disclosure shall be made in the financial statements and group financial statements, respectively.

(3) If, in exceptional circumstances, the application of the provisions set out in this part of this Act or the application of regulations issued pursuant to Section 190 conflicts with the requirement of subsection (1), first sentence, such provisions or regulations shall be derogated from so that the requirement can be met. Any such derogation shall be disclosed in the notes for each year, giving specific and adequate grounds and indicating the effect, including, if possible, the effect in terms of amounts, of the derogation on the assets and liabilities, financial position and the results of the undertaking and the group, respectively.

**Section 184** In order for the financial statements and consolidated financial statements to give a true and fair presentation, and for the management review to contain a true and fair report, cf. Section 183, the requirements of subsections (2) and (3) shall be complied with.

(2) The annual report shall be prepared so as to support users of financial statements, cf. subsection (4), in their financial decisions and shall, as a minimum, concern:

- 1) investment of the user's own resources,
- 2) the management's administration of the resources of the undertaking, and
- 3) the distribution of the resources of the undertaking.

(3) The annual report shall be prepared so as to disclose information about matters which are normally relevant to users, cf. subsection (4). The information disclosed shall also be reliable in relation to users' normal expectations.

(4) The users of financial statements are private individuals, undertakings, organisations, and public authorities, etc., whose financial decisions must normally be expected to be affected by an annual report, including present or prospective members of the undertaking, creditors, employees, clients, alliance partners, the local community, authorities providing government grants, and fiscal authorities.

**Section 185** The annual report shall be prepared in accordance with the basic assumptions set out below:

- 1) It shall be prepared in a clear and understandable manner (clarity).
- 2) The realities must be taken into account and not formalities without real content (substance).
- 3) All relevant matters shall be included in the annual report unless they are insignificant (materiality). But where several insignificant matters are deemed to be significant when combined, they shall be included.
- 4) The operation of an activity is based on a going concern assumption unless it is to be discontinued or it is assumed that it will not be possible to be continued. If an activity is discontinued, classification and presentation as well as recognition and measurement shall be adjusted accordingly.
- 5) Recognition and measurement shall be on a prudent basis, and the accounting estimates must be substantiated and neutral. Any change in value must be factored regardless of whether the financial statements will show a profit or a loss.
- 6) Transactions, events and changes in value shall be recognised when occurring irrespective of the time of payment (accruals basis).
- 7) Methods of recognition and measurement basis shall be applied uniformly to the same category of matters (consistency).
- 8) Each transaction, event and change in value shall be recognised and measured individually, and

individual matters must not be offset against each other (gross presentation).

9) The opening balance sheet for the financial year shall correspond to the closing balance sheet for the previous financial year (formal consistency).

(2) Presentation and classification, method of consolidation, method of recognition and measurement basis as well as the monetary unit applied shall not be changed from period to period (actual consistency). However, a change may be made if this results in a more true and fair presentation being given, or if the change is necessary in order to comply with new regulations issued pursuant to section 190, and section 183(3), second sentence, shall apply correspondingly.

(3) The Danish FSA may, notwithstanding subsection (1), no. 8, lay down regulations on offsetting obligations.

#### *Supplementary reports*

**Section 186** Supplementary reports, including reports on knowledge and know-how and employee conditions (knowledge accounts), environmental issues (green accounts), the social responsibility of the undertaking (social accounts), and ethical objectives and follow-up to these of the undertaking (ethical accounts), shall give a true and fair report in accordance with generally accepted guidelines for such reports. Such reports shall meet the quality requirements in Section 184(2), subject to the modifications required by the nature of the case, and the basic assumptions set out in Section 185(1) and (2).

(2) The methods and measurement basis used for the preparation of the supplementary reports shall be disclosed in the reports.

#### *Audit of the annual report*

**Section 187** The annual report shall be audited by the external auditors of the undertaking, cf. Section 193. Such audit shall not apply to the management review and the supplementary reports included in the annual report, cf. Section 186. The external auditors shall, however, issue a statement regarding the extent to which the information in the management review is in accordance with the financial statements and any consolidated financial statements.

#### *Submission of annual reports and audit reports*

**Section 188** The annual report shall, in the form presented to and approved by the board of directors, be submitted to the Danish FSA without undue delay after the meeting of the board of directors at which the annual report was finally approved.

(2) The external auditors' audit book comments and, for undertakings with an internal auditor, the audit book comments from the chief internal auditor, shall be submitted to the Danish FSA at the same time as the annual report is submitted pursuant to subsection (1). If the external auditors do not keep an audit book regarding the annual report, other comparable documentation shall be submitted.

**Section 189** The approved annual report shall be submitted to the Danish Business Authority without undue delay after final approval, and no later than four months after the end of the financial year. Undertakings required to prepare an interim financial report shall submit the prepared interim financial report to the Danish Business Authority no later than three months after the end of the interim period.

(2) The annual report submitted shall, as a minimum, include the compulsory elements and the full auditors' report. Where the undertaking wishes to publish supplementary reports as specified in Section 186, such reports shall be submitted with the compulsory elements of the annual report, so that the compulsory elements and the supplementary reports jointly form a single document, designated as the "annual report".

(3) The Danish FSA may upon negotiation with Danish Business Authority establish rules for the submission of annual reports to the Danish Business Authority and rules for the publication of annual reports. This includes establishing rules concerning the annual reports and half-yearly reports being submitted digitally to the Danish Business Authority, and that the communication in connection with this shall take place digitally.

*Authorities of the Danish FSA to lay down more detailed regulations on the annual report*

**Section 190** The Danish FSA shall lay down more detailed regulations on the annual report, including regulations on the recognition and valuation of assets, liabilities, revenue and expenditure, presentation of the income statement and balance sheet, and requirements regarding notes and the management's review and which currencies may be used for recognition, measurement, and information in monetary units.

(2) The Danish FSA shall also lay down regulations on consolidated financial statements, including regulations on when the annual report is to include consolidated financial statements and which undertakings these are to cover.

(3) The Danish FSA may lay down regulations on the drafting and publication of financial reports covering shorter periods than the annual report.

*Reactions to violations of the law*

**Section 191** In order to ensure that the annual reports of insurance undertakings are in accordance with the regulations of this Part of this Act and the regulations issued in pursuance of Section 190, and that the consolidated financial statements of insurance undertakings covered by Article 4 of the Council Regulation on the application of international accounting standards are in accordance with the international accounting standards, the Danish FSA may

- 1) provide guidance,
- 2) take action against violations, and
- 3) order that errors be corrected and that violations be remedied.

*Financial statements*

**Section 192** Insurance undertakings shall regularly submit financial statements and data to the Danish FSA using forms prepared by the Danish FSA. Such statements may be required to be submitted electronically.

(2) Insurance undertakings and insurance holding undertakings covered by Section 100(1) shall annually report to the Danish FSA of information related to the obligations to set targets and prepare policies for the under-represented gender in the management body pursuant to Section 100. The statements shall be in accordance with forms and guidelines issued by the Danish FSA and shall be submitted to the Danish FSA in electronic form.

*Provisions for auditing*

**Section 193** Insurance undertakings shall have at least one state-authorized public accountant certified by the Danish FSA. If more than one auditor is elected or if an auditor is appointed under subsection (2), the additionally elected or appointed auditors shall be state-authorized, and in the event of auditing of banks, mortgage-credit institutions or insurance undertakings, the person or persons signing as auditor(s) shall also be certified by the Danish FSA.

(2) The Danish FSA may, in exceptional circumstances, appoint an additional auditor. This auditor shall act on the same terms and in accordance with the same regulations as the auditors elected by the general

meeting.

(3) The auditors of an insurance undertaking shall also be the auditors of the subsidiary undertakings. If an insurance undertaking has a subsidiary undertaking which is a bank or a mortgage-credit institution, the signing auditors elected shall be certified by the Danish FSA to audit these types of undertakings, cf. subsection (1). It shall, however, be sufficient that the auditors collectively are certified to audit the individual types of undertakings in the group.

(4) Subsection (3) shall not apply to parent undertakings and subsidiary undertakings which are not domiciled in Denmark.

(5) The Danish FSA may cancel an auditor's certification, cf. subsection (1), first sentence, and thus the right to audit the specific type of undertaking and instead appoint another auditor, cf. subsection (2), until a new election has been carried out, if

- 1) within a time limit set by the Danish FSA, the auditor fails to produce documentation stating that the requirements for certification have been met, or
- 2) the Danish FSA finds that the auditor has not acted satisfactorily in full or in part, and if there is reason to assume that the person in question will not be able to carry out the audit in an adequate manner.

(6) Auditors, who pursuant to subsection (5) have had their certification cancelled, may request to have the decision made by the Danish FSA brought before the courts. Such request shall be submitted to the Danish FSA within four weeks of the date on which the decision was issued to the person in question. The request shall not have a suspensory effect, but the court may order the auditor concerned to maintain his duties and responsibilities as an auditor for the specific type of undertaking during the case proceedings. The Danish FSA shall bring the case before the courts within four weeks. The case shall be brought through civil proceedings.

(7) On a change of auditors, the undertaking and the outgoing auditor shall submit separate accounts of the change to the Danish FSA no later than one month after the termination of office where the change is caused by special circumstances.

(8) The Danish FSA may order the auditors and, for undertakings with internal auditors, the chief internal auditor to provide information on the conditions in an insurance undertaking or in an insurance undertaking's subsidiary undertakings.

(9) The Danish FSA may order that an extraordinary audit be carried out of an insurance undertaking or of an insurance undertaking's subsidiary undertakings. The insurance undertaking may be ordered to pay for such audit. The Danish FSA shall approve the size of the fee.

(10) The provisions laid down in Sections 144-149 of the Danish Companies Act on the audit shall, with the necessary adaptations, apply correspondingly to insurance undertakings which are not limited undertakings.

(11) The board of directors may not permit that the chief and deputy chief internal auditors perform audit tasks in undertakings outside the group, cf. Section 121. Neither may the board of directors permit that the chief and deputy chief internal auditors perform work other than audit tasks in undertakings within the group or in undertakings within the same joint organisation of administration. In exceptional circumstances, the Danish FSA may grant exemptions from the first sentence.

(12) The board of directors may not permit, cf. Section 121, the chief and deputy chief internal auditors to assume duties that mean that they come into conflict with provisions on legal capacity corresponding to those that apply to external auditors for public interest-entities pursuant to the Danish Act on Approved Auditors and Audit Firms and Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

(13) The Danish FSA shall lay down provisions on audit proceedings in insurance undertakings and in subsidiary undertakings of insurance undertakings, including provisions regarding internal audits and system auditing in shared data centres.

(14) The Danish FSA shall lay down detailed provisions regarding the certification of auditors, cf. subsections (1) and (5).

**Section 194** An external auditor and a chief internal auditor of an insurance undertaking shall immediately notify the Danish FSA of matters which are of material importance to the continued operation of the undertaking, including matters which may be observed by the auditors while performing their duties as auditors, and which may

- 1) constitute a material breach of the laws, regulations or administrative provisions which lay down the conditions governing authorisation or the activities of the undertaking,
- 2) impair the continuous functioning of the undertaking,
- 3) lead to a refusal to certify the financial statements or to the conclusion being modified,
- 4) result in non-compliance with the solvency capital requirement or
- 5) result in non-compliance with the minimum capital requirement.

(2) The notification obligation also extends to any circumstances and any decisions covered by subsection (1) of which the external auditor and an internal chief auditor become aware as the auditors of an undertaking with close links to the insurance undertaking.

## VII.

### **Intervention in or cessation of the financial undertaking**

#### Part 18

#### *Transfer and conversion*

#### *Transfer*

**Section 195** An insurance undertaking may not, without a licence from the Minister for Industry, Business and Financial Affairs, transfer all or part of its insurance portfolio to another insurance undertaking. The same shall apply when the receiving undertaking is a foreign undertaking.

(2) Decisions pursuant to subsection (1) shall be notified to the applicant no more than five months after receipt of the application. If the application is incomplete, the decision shall be notified no later than five months after the applicant has submitted the information necessary to make a decision. At all events, a decision shall be made no later than six months after receipt of the application.

(3) Before a licence can be granted, the Danish FSA shall publish a report on the transfer in the Danish Official Gazette (Statstidende) and in a national daily newspaper. The report shall contain an appeal to the policyholders whose insurance contracts are proposed to be transferred to notify the Danish FSA in writing no later than three months after the publication if they have any objections to the transfer. At the same time, the undertaking shall submit a notice of the transfer and the report of the Danish FSA to the policyholders affected.

(4) After expiry of the time limit mentioned in subsection (3), second sentence, the Minister for Industry, Business and Financial Affairs shall, under consideration of the objections made, decide whether the insurance portfolio may be transferred in accordance with the proposal made. The transfer may not be invoked as basis for cancelling an insurance contract.

(5) A licence under subsection (1) may be refused if, among other things, the transfer of the portfolio is deemed contrary to essential societal considerations.

(6) Section 238(2), Section 239(4), Section 242, second sentence, Section 256(2), Section 257(4), Section 260, second sentence, Section 274(3), Section 277, second sentence, Section 294(3), and Section 297, second sentence, of the Danish Companies Act shall not apply to portfolio transfers covered by subsection (1).

(7) An insurance undertaking which transfers all or part of its portfolio of insurance contracts to another insurance undertaking shall be released of its responsibility to the policyholders when being granted the licence mentioned in subsection (1).

(8) If the transfer of an insurance portfolio takes place in connection with a merger of insurance undertakings, said merger may, notwithstanding Section 27(1) of the Danish Insurance Contracts Act (lov om forsikringsaftaler), not be invoked by the policyholders as a ground for cancelling the insurance contract.

(9) In connection with the transfer of life assurance business, the insurance conditions of the transferor undertaking may only be modified to the extent deemed by the Danish FSA to be a necessary consequence of the transfer, including changes in the rules for bonuses.

(10) Merger plans, division plans, and the statement of the valuation experts pursuant to the Danish Companies Act shall, for insurance undertakings, be submitted to the Danish FSA no later than four weeks after having been signed, and the Danish FSA shall make public receipt of the merger plan, division plan and the statement of the valuation experts on the position of the creditors.

**Section 196** The Minister for Industry, Business and Financial Affairs may lay down regulations to the effect that, with the adaptations necessary, the provisions concerning mergers in Parts 15 and 16 of the Danish Companies Act shall apply to mergers of mutual undertakings and mergers of mutual undertakings with an undertaking with share capital.

#### *Conversion of insurance undertakings*

**Section 197** Form, content, and implementation of a conversion of an insurance undertaking shall be subject to approval by the Danish FSA. The conversion of an insurance undertaking may be conducted without the consent of creditors.

(2) As part of a conversion pursuant to subsection (1), an insurance undertaking may transfer assets and debts in their entirety to a limited undertaking owned or established by the insurance undertaking and licensed to conduct insurance business activities, in return for a compensation matching the value of the transferred assets after the deduction of debt. The receiving insurance undertaking shall be subrogated to the rights and obligations of the transferring insurance undertaking.

### Part 19

#### *Cessation*

#### *Withdrawal of licences*

**Section 198** The Danish FSA may fully or partially withdraw the licence to operate as an insurance undertaking if the undertaking so requests.

**Section 199** Furthermore, the Danish FSA may withdraw the licence to operate as an insurance undertaking in the following cases:

- 1) if the insurance undertaking wilfully or repeatedly violates
  - a) this Act, the Danish Money Laundering Act, the Danish Capital Markets Act, or regulations issued

pursuant to these acts,

- b) regulations issued pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance,
  - c) regulations issued pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, or
  - d) regulations issued pursuant to Directive 2015/849 of the European Parliament and of the Council of May 20, 2015, on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing.
- 2) if the insurance undertaking fails to comply with the requirements for a licence pursuant to Part 3.
  - 3) if the insurance undertaking fails to commence operation as an insurance undertaking no later than 12 months after having been granted a licence by the Danish FSA.
  - 4) if the insurance undertaking does not conduct insurance activities for a period of more than six months.

(2) The Danish FSA may withdraw the licence of a group 1 insurance undertaking to operate as an insurance undertaking if the undertaking has not carried out the measures listed in the recovery plan, cf. Section 223(1), in order to meet the solvency capital requirement within the time limits set out in Section 223(2) or (3). The Danish FSA shall withdraw a group 1 insurance undertaking's licence to operate as an insurance undertaking if the undertaking has not carried out the measures listed in the financing plan, cf. section 224(1), in order to meet the minimum capital requirement within the time limits set out in section 224(2).

(3) The Danish FSA shall withdraw the licence of a group 2 insurance undertaking to operate as an insurance undertaking if the undertaking has not carried out the measures listed in the recovery plan in order to meet the minimum capital base requirement within the time limits set out by the Danish FSA pursuant to Section 225.

(4) Undertakings that are authorised to conduct both life assurance business and non-life insurance business in the same undertaking, cf. Section 19(2), may have their licence withdrawn for the life assurance business and the non-life insurance business separately.

### *Winding up*

**Section 200** When the Danish FSA withdraws the licence of an insurance undertaking, the activities shall be wound up, and other activities may not be commenced before the winding-up is complete.

(2) Winding-up is effected through liquidation, bankruptcy or through amalgamation or conducted in another manner approved by the Danish FSA.

(3) When the Danish FSA withdraws the licence of an insurance undertaking, the Danish FSA shall make decisions regarding whether said insurance undertaking shall attempt to transfer its portfolio of insurance contracts to one or more insurance undertakings carrying out insurance activities in Denmark, or whether said insurance undertaking shall attempt to terminate its portfolio of insurance contracts in another way. With regard to insurance undertakings licensed to conduct life assurance activities, the Danish FSA may decide that the portfolio of insurance contracts is to be taken under administration in accordance with Sections 227-235. For insurance undertakings conducting industrial injury insurance business, the Danish FSA may decide that the portfolio of industrial injury insurance contracts is to be taken under administration by the Danish Guarantee Fund for Non-Life Insurers in accordance with Section 204.

(4) The Danish FSA may, in connection with withdrawal of the licence of an insurance undertaking, prohibit or restrict free access to the insurance undertaking's assets. Section 219(5) shall apply correspondingly.

**Section 201** Where an insurance undertaking makes a decision to wind up, the insurance undertaking shall immediately notify the Danish FSA of the decision.

(2) The Danish FSA may stipulate a time limit for such a decision on liquidation under Section 217 of the Danish Companies Act. If said time limit is exceeded, the Danish FSA may decide that the insurance undertaking is to enter into liquidation.

**Section 202** An insurance undertaking carrying out life assurance business may not be dissolved without the consent of each individual policyholder unless said undertaking has, in advance, transferred its entire portfolio of insurance contracts to another undertaking in accordance with the regulations laid down in Section 195, or unless the portfolio of insurance contracts of said undertaking has been placed under administration pursuant to Sections 227-235.

**Section 203** An insurance undertaking carrying out industrial injury insurance business may not be dissolved unless said undertaking has, in advance, transferred its entire portfolio of industrial injury insurance contracts to another undertaking in accordance with the regulations laid down in Section 195, or unless the portfolio of industrial injury insurance contracts of said undertaking has been placed under administration by the Danish Guarantee Fund for Non-Life Insurers in accordance with Section 204.

**Section 204** When an insurance undertaking transfers a portfolio of industrial injury insurance contracts to the Danish Guarantee Fund for Non-Life Insurers, cf. Section 200(3), third sentence, Section 205 or Section 264(3), the insurance undertaking shall at the same time transfer the technical provisions for accounting purposes relating to the portfolio. Furthermore, the insurance undertaking shall transfer assets that correspond to the technical provisions. Finally, the insurance undertaking shall transfer an amount corresponding to the part of the undertaking's capital requirement that relates to the transferred assets and liabilities.

(2) The size of the amounts to be transferred to the Danish Guarantee Fund for Non-life Insurers under subsection (1) shall be determined on the basis of an impartial investigation of the undertaking's portfolio of industrial injury insurance contracts. The insurance undertaking shall pay the costs associated with the investigation.

(3) The impartial investigation shall be carried out by one or more experts. The insurance undertaking shall appoint the expert(s) within a time limit set by the Danish FSA. The proposed expert(s) shall be subject to approval by the Danish FSA.

(4) The insurance undertaking shall provide the expert(s) with such information as is necessary for the performance of the impartial investigation.

(5) The result of the impartial investigation shall be provided in the form of a written report. The draft report shall be submitted for approval to the Danish FSA within a time limit set by the Danish FSA.

(6) When the Danish Guarantee Fund for Non-Life Insurers has taken the portfolio of industrial injury insurance contracts under administration and received the amounts established by the impartial investigation, cf. subsection (2), first sentence, the Danish Guarantee Fund for Non-Life Insurers shall not be entitled to bring any claims against the insurance undertaking for any missing amounts needed to be paid to cover the technical provisions. Correspondingly, the insurance undertaking shall not be entitled to bring any claims against the Danish Guarantee Fund for Non-Life Insurers for any excess amounts after the winding-up of the transferred portfolio.

(7) Sections 1-6 shall not apply where the winding-up of an insurance undertaking is effected through bankruptcy.

**Section 205** The Danish FSA may decide that a portfolio of industrial injury insurance contracts in an

insurance undertaking covered by Sections 49(1) and 52(1) shall be placed under administration by the Danish Guarantee Fund for Non-Life Insurers if the supervisory authority in the insurance undertaking's home country has withdrawn the undertaking's licence to conduct industrial injury insurance business. Section 204 shall apply correspondingly.

*Special regulations on liquidation and bankruptcy*

**Section 206** In the event of liquidation of an insurance undertaking, the Minister for Industry, Business and Financial Affairs may, after having obtained a statement from the Danish FSA, appoint a liquidator to carry out the liquidation in cooperation with the liquidators appointed by the general meeting where the interests of the insured parties, shareholders, guarantors, or creditors so warrant.

(2) If the Danish FSA decides under Section 220 or Section 221 that an insurance undertaking is to enter into liquidation, the bankruptcy court shall, after consultation with the Danish FSA, appoint one or more liquidators, of whom at least one shall be a lawyer.

**Section 207** The Danish FSA may suspend the articles of association of an insurance undertaking during liquidation.

(2) Financial statements prepared in connection with liquidation shall be submitted to the Danish FSA.

**Section 208** A petition for bankruptcy for an insurance undertaking under liquidation may only be submitted by said liquidators.

**Section 209** The Danish FSA may submit a petition for bankruptcy when an insurance undertaking becomes insolvent. A decision made by the Danish FSA to petition for bankruptcy may not be appealed against under Section 309.

(2) Notwithstanding section 17(2) of the Danish Bankruptcy Act, group 1 insurance undertakings not complying with their obligations regarding subordinated debt taken up as subordinate loan capital shall not be regarded as insolvent. The same shall apply to group 2 insurance undertakings if they do not comply with their obligations regarding additional own funds taken up as subordinate loan capital.

(3) After issuing the bankruptcy order, the bankruptcy court shall, after consultation with the Danish FSA, appoint one or more trustees, of whom one shall be a lawyer.

(4) If an insurance undertaking not carrying out life assurance business is declared bankrupt, Section 2227 shall apply correspondingly. If the insurance undertaking has arranged industrial injury insurance contracts, the portfolio of industrial injury insurance contracts shall, notwithstanding the first sentence, be placed under administration by the Danish Guarantee Fund for Non-life Insurers at the time of the issue of the bankruptcy order.

(5) If an insurance undertaking licensed to conduct life assurance business is declared bankrupt, its portfolio of insurance contracts shall be placed under administration in accordance with Sections 227-235.

**Section 210** Before any other allocation, the trustee shall use the assets of an insurance undertaking licensed to conduct non-life insurance business to satisfy policyholders and the insured. However, claims of policyholders and the insured shall be subordinate to the claims mentioned in Sections 93 and 94 of the Danish Bankruptcy Act.

(2) For an insurance undertaking licensed to conduct non-life insurance business, legally established mortgages recorded in the undertaking's accounts shall at all times be matched by assets equal to the value of the legally established mortgages. Those assets may not already be intended to cover the technical provisions, cf. Sections 158 and 159, or the minimum basic capital requirement, the solvency capital requirement or the minimum capital requirement calculated by the undertaking, cf. Sections 154-156.

**Section 211** The Danish FSA shall be entitled to participate in meetings of creditor committees and committees of inspection. A draft for final financial statements and distribution of dividend of the estate in bankruptcy shall be presented by the trustee to the Danish FSA in order for the Danish FSA to make a statement before the trustee submits this to the bankruptcy court.

**Section 212** If a mutual undertaking is declared bankrupt, the trustee shall notify the Danish Business Authority and the Danish FSA of the commencement and completion of the bankruptcy proceedings.

**Section 213** The Minister for Industry, Business and Financial Affairs may decide that the liquidator or the trustee is to, at the expense of the estate, notify policyholders of the winding-up of the insurance undertaking and of the consequences hereof for said policyholders. The Minister for Industry, Business and Financial Affairs may decide that the liquidator or trustee shall, at the expense of the estate in bankruptcy, inform policyholders of the winding-up of the insurance undertaking and of the consequences thereof for them.

(2) The Minister for Industry, Business and Financial Affairs may lay down more detailed regulations regarding the form and contents of said notification.

#### *Financial reconstruction*

**Section 214** The Danish FSA may submit a petition for financial reconstruction for insurance undertakings if the interests of the investors or policyholders so require.

(2) An application for financial reconstruction under subsection (1) shall be accompanied by a proposal by the Danish FSA regarding the appointment of a reconstructor during the financial reconstruction and a declaration from the relevant persons that they are willing to assume this duty and that they meet the conditions of Section 238 of the Danish Bankruptcy Act.

**Section 215** The Danish FSA may permit that the regulations of the Danish Bankruptcy Act regarding financial reconstruction be applied to insurance undertakings with the exception of life assurance undertakings.

(2) In connection with the financial reconstruction of reinsurance undertakings, the bankruptcy court may, following consultation with the Danish FSA, appoint an independent actuary for the preparation of a statement of the value of the claims that have been made.

**Section 216** The provisions of this Act regarding the authorities of the Minister for Industry, Business and Financial Affairs and the Danish FSA, and regarding the obligations of insurance undertakings towards the Minister for Industry, Business and Financial Affairs and the Danish FSA shall, with the adaptations necessary, apply to such insurance undertakings, which have entered into financial reconstruction or are being dissolved.

#### *Application of the Danish Companies Act*

**Section 217** Part 14 of the Danish Companies Act shall, with the adaptations necessary, apply to mutual undertakings and multi-employer occupational pension funds.

**Section 218** The Minister for Industry, Business and Financial Affairs shall lay down regulations with a view to compliance with Union law regarding restructuring and liquidation of insurance undertakings.

## Part 20

### *Crisis management*

#### *Registered assets*

**Section 219** Insurance undertakings conducting life assurance business covered by Annex 2 shall have a group of assets, the total value of which at all times corresponds to the value of the total technical provisions for accounting purposes. To ensure the presence of sufficient assets, the insurance undertakings shall keep a register that includes a record of

- 1) assets, the total value of which at all times corresponds to the value of the undertaking's total technical provisions, and
- 2) the value of financial contracts that reduce the risk that assets pursuant to no. 1 do not cover the insurance liabilities.

(2) Loans secured on own life assurance policies within the repurchase value of these policies shall not be registered.

(3) Assets in the register shall serve only to satisfy the policyholders and beneficiaries.

(4) The insurance undertaking shall report the assets that are registered to the Danish FSA on a quarterly basis.

(5) The Danish FSA may require that the assets in the register be deposited and pledged in favour of the Danish FSA if the authority decides to limit or prohibit the availability of the assets to the undertaking pursuant to Section 223. The Danish FSA shall be registered as mortgagee, and any subsequent changes in the assets deposited shall be approved by the Danish FSA and noted in the register.

(6) The Danish FSA may lay down more detailed regulations regarding the content, design, reporting, registration, and verification of the existence of assets entered in the registers.

#### *Measures*

**Section 220** The Danish FSA shall order that a life assurance undertaking take the steps necessary within a time limit specified by the Danish FSA, if

- 1) the undertaking does not comply with this Act or regulations issued pursuant to this Act,
- 2) the undertaking deviates from the basis on which it operates,
- 3) the basis mentioned in no. 2 or the way in which the undertaking's funds are placed is not adequate,
- 4) it appears that the funds allocated for coverage of technical provisions for solvency purposes are not adequate, or
- 5) the undertaking's financial position has deteriorated to such a degree that the interests of the insured parties are at risk.

(2) If the measures ordered have not been implemented within the time limit laid down and it is deemed that the omission could cause risk for the insured parties, the portfolio of insurance contracts of the undertaking may be placed under administration in accordance with Sections 227-235.

(3) A portfolio of insurance contracts shall be placed under administration if it appears that it is not possible to obtain the funds necessary to cover the technical provisions for solvency purposes within the specified time limit.

(4) If an undertaking enters into liquidation, the Danish FSA may decide that the portfolio of insurance contracts of the undertaking is to be placed under administration.

(5) If the Danish FSA finds that, when the portfolio of insurance contracts has been placed under administration, it is also necessary to dissolve the undertaking, the Danish FSA shall make such decision.

**Section 221** The Danish FSA shall order an insurance undertaking that is not subject to Section 220 to take the necessary measures within a time limit specified by the Danish FSA, if

- 1) the undertaking has not allocated sufficient funds to cover its insurance liabilities,
- 2) the Danish FSA does not deem the way in which the undertaking's funds are placed adequate, or
- 3) the undertaking does not comply with this Act or regulations issued pursuant to this Act.

(2) If the measures ordered have not been implemented within the time limit laid down, and it is deemed that the omission could cause risk for the insured parties, the Danish FSA may decide that the undertaking shall enter into liquidation.

**Section 222** The Danish FSA may, in connection with the measures mentioned in Sections 220(1), 221(1), 223(2), 224(2) and 225(1), prohibit or limit said undertaking from having full charge of its assets. Section 219 shall apply correspondingly.

(2) The Danish FSA shall notify the supervisory authorities in the host countries of any measures regarding group 1 insurance undertakings taken pursuant to subsection (1).

### *Recovery*

**Section 223** A group 1 insurance undertaking that does not meet the solvency capital requirement, cf. Section 154, shall prepare a plan for recovery that describes the measures that are necessary in order for the insurance undertaking to meet the solvency capital requirement. The recovery plan shall be submitted to the Danish FSA for approval no later than two months after the insurance undertaking has established that it does not meet the solvency capital requirement.

(2) The recovery plan shall result in the solvency capital requirement being met no later than six months after the undertaking established that it did not meet said requirement. The Danish FSA may extend this time limit by three months on one occasion, if the undertaking can render it likely that it will be in a position to meet the solvency capital requirement if the time limit is extended.

(3) In extraordinary circumstances, when the European Insurance and Occupational Pensions Authority judges that an exceptional adverse situation is affecting insurance undertakings representing a significant share of the market, the Danish FSA may, after consulting the European Systemic Risk Board, extend the time limit in subsection (2). The extension of the time limit may be renotified multiple times, but the overall extension of the time limit may not exceed seven years.

(4) If the time limit is extended pursuant to subsection (3), the insurance undertaking shall submit a report to the Danish FSA every three months, describing the measures taken to date and progress towards meeting the solvency capital requirement. Should the report show that no significant progress has been made towards meeting the solvency capital requirement, the Danish FSA may withdraw the extension of the time limit.

(5) The Danish FSA may lay down detailed rules regarding the information to be included in the recovery plan.

**Section 224** A group 1 insurance undertaking that does not meet the minimum capital requirement, cf. Section 155, shall prepare a financing plan that describes the measures that are necessary in order for the undertaking to meet the minimum capital requirement. The financing plan shall be submitted to the Danish FSA for approval no later than one month after the undertaking has established that it does not meet the minimum capital requirement.

(2) The financing plan shall result in the minimum capital requirement being met no later than three months after the undertaking established that it did not meet said requirement.

(3) The Danish FSA may lay down detailed rules regarding the information to be included in the financing plan.

**Section 225** A group 2 insurance undertaking that does not meet the minimum capital base requirement, cf. Section 156(2) and (3), shall prepare a plan for recovery that describes the measures that are necessary in order for the undertaking to meet the minimum capital base requirement. The recovery plan shall be submitted to the Danish FSA for approval within a time limit set by the Danish FSA.

(2) The Danish FSA may lay down detailed rules regarding the information to be included in the recovery plan and on the period for which the plan shall be prepared.

#### *Transfer of a portfolio of insurance contracts in the event of liquidation*

**Section 226** The Danish FSA shall, as soon as possible after the liquidation under section 221 has entered into effect, in consultation with the liquidators, implement an investigation of whether it would be appropriate to attempt to transfer the portfolio of insurance contracts fully or partly to one or more insurance undertakings. If an offer of such transfer is received, the Danish FSA shall, if it finds the offer acceptable, have prepared a report regarding such transfer as well as a draft agreement with the relevant undertaking.

(2) The report and draft shall be published in the Danish Official Gazette (Statstidende) and in daily newspapers. The report shall include an appeal to the policyholders to notify the Danish FSA in writing if they have any objections to the transfer within a time limit stipulated by the Danish FSA which is no shorter than one month. The undertaking shall, at the same time, forward the report and draft to those policyholders whose address is known to said undertaking.

(3) After expiry of the time limit mentioned in subsection (2), the Minister for Industry, Business and Financial Affairs shall, under consideration of the objections made, decide whether the insurance portfolio may be transferred in accordance with the proposal made.

(4) The Danish FSA may, in connection with the report made and after negotiations with the undertaking taking over, decide whether insurance contracts arranged for periods of more than one year are to be terminable by both parties according to the provisions that would have been in force if the multi-year period of the agreement had expired. Provisions regarding such access to termination shall be indicated in the report from the Danish FSA.

(5) Section 27(2) of the Danish Insurance Contracts Act (lov om forsikringsaftaler) shall apply correspondingly until the Minister for Industry, Business and Financial Affairs has made a decision under subsection (3). If a transfer takes place in accordance with such decision by the Minister for Industry, Business and Financial Affairs, the liquidation and the transfer may not, irrespective of sections 26 and 27 of the Danish Insurance Contracts Act, be cited as a basis for cancelling the insurance contract.

#### *Administration of a portfolio of life assurance activities*

**Section 227** If the Danish FSA decides that the portfolio of insurance contracts of an insurance undertaking licensed to conduct life assurance business is to be placed under administration pursuant to Section 199(1), no. 1 or 2, or subsection (3), Section 200(3) or (4), Section 209(5) or Section 220, the Danish FSA shall at the same time appoint an administrator to administer the portfolio of insurance contracts in cooperation with any co-administrators.

(2) When a portfolio of insurance contracts is placed under administration, the Danish FSA shall withdraw the licence of said undertaking and arrange for the decisions regarding the implementation of said administration, regarding appointment of administrators, and regarding the withdrawal of the licence to be registered at the Danish Business Authority.

(3) In order to ensure proper attendance to the administration, the administrator may appoint one or more co-administrators with knowledge of relevant conditions for the administration. Section 140 shall

apply correspondingly to estates under administration.

(4) Expenses that, under tax legislation, rest upon the estate under administration consisting of the insured parties, shall be paid by the estate under administration through the administrator.

(5) Remuneration for administrators and other expenses in connection with the administration shall be paid by the estate under administration. The size of the remuneration shall be fixed after consultation with the Danish FSA.

(6) The estate under administration shall be subject to supervision by the Danish FSA.

**Section 228** At the beginning of the administration, the registered assets mentioned in Section 219(1) shall be transferred immediately to the estate under administration. The estate under administration represented by the administrator shall be entitled to have full charge of said assets. With regard to investment securities, this shall be registered at a central securities depository and, with regard to real property, in the Danish Land Register.

(2) If an insurance undertaking licensed to conduct life assurance business is declared bankrupt, the bankruptcy court shall immediately transfer the assets mentioned in subsection (1) to the administrator.

(3) The administrator shall have the registered assets valued in accordance with the current regulations regarding valuation.

**Section 229** The individual insured parties may not make claims against the undertaking. On the other hand, the administrator may, on behalf of the estate under administration, request from the undertaking the amount remaining according to the valuation of the assets taken over, cf. 228(3), in order to cover the technical provisions and claims reported and claims due according to the calculation mentioned in section 233. In addition, the administrator may, on behalf of the estate under administration, request an amount corresponding to the undertaking's capital requirement calculated at the commencement of the estate under administration.

**Section 230** If an insurance undertaking licensed to conduct life assurance business is declared bankrupt after the commencement of the administration, said bankruptcy shall have no effect for the estate under administration.

**Section 231** The administrator shall manage the assets received from the undertaking and may require from the undertaking all material necessary for the administration, possibly with the assistance of a sheriff.

(2) The administrator shall respect agreements on netting at close-out, cf. Section 206 of the Danish Capital Markets Act, of financial contracts which may be included in the group of assets pursuant to section 219(1), first sentence.

**Section 232** When the portfolio of insurance contracts has been placed under administration, surrender of insurance contracts may not take place.

**Section 233** The administrator shall calculate the technical provisions and determine the size of the claims reported and the claims due under the insurance contracts at the commencement of the administration.

(2) Insurance claims that were due or reported before the commencement of the administration shall be determined according to the regulations in force prior to the date of maturity or notification. Insurance contracts that fall due at a later time shall, in the first instance, only be paid by an amount that the administrator deems appropriate under the circumstances. If the final determination of the insurance amounts, cf. subsection (4), shows that, in this way, too much has been paid, repayment shall not be possible.

(3) The technical provisions shall be calculated using the calculation basis reported for the undertaking, cf. Section 29, unless the administrator deems it necessary to determine another calculation basis, which shall then be reported to the Danish FSA.

(4) The determination of the insurance amounts, including any reduction, cf. Section 234(1), fourth sentence, or Section 235(1), first sentence, shall be carried out in accordance with the calculation basis under subsection (3) and after a distribution of the undertaking's assets that is deemed fair in the individual case in consideration of the conditions in the portfolio of insurance contracts, including the content of the insurance contracts.

**Section 234** The administrator shall, as soon as possible after the assessment and calculation under Section 228(3) and Section 233 has taken place, attempt to transfer the entire portfolio of insurance contracts to one or more insurance undertakings. If an offer of such transfer is received, the administrator shall submit an application to the Minister for Industry, Business and Financial Affairs regarding said transfer. The application regarding transfer shall be accompanied by the composition agreed upon by the estate under administration and the undertaking taking over, and by any information regarding said undertaking that the Minister for Industry, Business and Financial Affairs deems necessary to be able to assess whether the transfer is appropriate in the interests of the policyholders. If such composition results in a reduction in the insurance amounts or a change in the policy terms, including the bonus provision, this shall be indicated.

(2) Unless the Minister for Industry, Business and Financial Affairs, on the existing basis, finds that a licence for transfer should be denied, the Danish FSA shall make public in the Danish Official Gazette (Statstidende) and in daily newspapers a report regarding the planned transfer. The report shall include an appeal to the policyholders to notify the Danish FSA in writing if they have any objections to the transfer within a time limit stipulated by the Danish FSA which is no shorter than one month. The undertaking shall, at the same time, forward the report and draft to those policyholders whose address is known to said undertaking.

(3) After expiry of the time limit mentioned in subsection (2), the Minister for Industry, Business and Financial Affairs shall, under consideration of the objections made, decide whether the insurance portfolio may be transferred in accordance with the proposal made. The transfer may not be invoked as basis for cancelling an insurance contract.

(4) If the transfer has taken place in such a way that not all the assets of the estate under administration have been included, the administrator shall surrender the excess amount to the undertaking or its estate.

**Section 235** If the portfolio of insurance contracts cannot be transferred in accordance with section 234, the administrator shall carry out the final determination of the insurance amounts in accordance with the calculations made as well as any changes in the policy terms including bonus provisions, and the administrator shall also convene a general meeting of the policyholders in order to establish a mutual undertaking formed by the estate under administration, cf. Sections 23-25 of the Danish Companies Act. Two months' notice shall be given of said general meeting. Such notice convening a general meeting and a report on the contents of the undertaking formation document and the administrator's calculated determination of the insurance amounts shall be made public in the way mentioned in Section 234(2).

(2) At the time of registration, the mutual undertaking shall be subrogated to the right against the former undertaking mentioned in Section 229.

(3) If a new undertaking cannot be formed, the administration shall continue, and the administrator shall decide whether a further attempt to transfer the insurance contracts to a new or another undertaking is to be made.

## VIII.

### Special regulations

#### Part 21

##### *Insurance undertakings with special regulations*

##### *Area of application of the Danish Companies Act in relation to mutual insurance undertakings*

**Section 236** Sections 77 and 86-88, Section 89(1) and (3), Sections 92 and 93, Section 94(1), Section 95, Section 96(1), Sections 100 and 100(a), Section 101(1)-(4) and (8), Section 102(1)-(3), Section 105, Section 111(1), no. 1, and subsections (2) and (4), Sections 112-115, Section 117(1), Sections 118-122, Sections 124-128, Section 131, Section 133, Section 134, Section 135(1)-(3) and (5), Sections 136-141 and Section 143 of the Danish Companies Act shall, with the adaptations necessary and with the derogations appearing from the provisions of this Act, apply correspondingly to mutual undertakings.

(2) Of the provisions mentioned in subsection (1), the provisions regarding shareholders shall apply correspondingly to guarantors, and provisions regarding share capital and shares shall, with the necessary adaptations, apply correspondingly to guarantee capital and guarantee interests.

(3) Section 76(2), (3) and (5), Section 80(1)-(4), Section 81, Section 90(1) and (2), Section 91, Section 98, Section 99, Section 101(1), (2) and (4), Section 102(1)-(3), Sections 108, 109, 125 and 126 of the Danish Companies Act shall, with the adaptations necessary and with the derogations appearing from the provisions of this Act, apply correspondingly to mutual undertakings.

(4) Of the provisions mentioned in subsection (3), the provisions regarding shareholders shall apply correspondingly to all those entitled to vote at the general meeting of the mutual undertaking.

(5) Section 180(1) and Section 194 of the Danish Companies Act regarding payments to shareholders shall apply correspondingly to the payment of interest to guarantors and payments to members of mutual undertakings.

##### *Members of mutual undertakings and their liability for the liabilities of the undertaking*

**Section 237** Members of a mutual undertaking shall only be the policyholders of said undertaking.

(2) If the members are to be liable for the liabilities of the undertaking, the extent of such liability shall be stipulated in the articles of association.

(3) The liability of the members for the undertaking's liabilities may only be asserted by the undertaking.

(4) The undertaking's claim against members regarding performance of said liability for the undertaking's liabilities may not be transferred or lodged as collateral.

(5) The Danish FSA may lay down regulations for mutual undertakings regarding liability for members and guarantors, repayment of guarantee capital, and conditions for distribution to the members of the undertaking's funds.

**Section 238** If a mutual undertaking becomes a policyholder in a mutual undertaking by reinsurance, agreement may be made in pursuance of the articles of association that said mutual undertaking is exempt from membership liabilities.

(2) For life-assurance, the total amount of such reinsurance contracts on the undertaking's own account may not exceed 10% of the total insurance sum of the undertaking taking over. With regard to annuity insurance, the insurance sum shall, in this calculation, be 10 times the annual interest amount.

(3) With regard to non-life insurance, the premium for such reinsurance contracts may not, without the authorisation of the Danish FSA, exceed 10% of the undertaking's total premium income.

### *Payment of guarantee interests, etc. in mutual undertakings*

**Section 239** A mutual undertaking may not, for a consideration, acquire its own guarantee interests for ownership or as collateral.

(2) The subsidiary undertakings of a mutual undertaking may not, for a consideration, acquire guarantee interests in the parent undertaking for ownership or as collateral.

**Section 240** In mutual undertakings, a register shall be kept of guarantee interests stating the name, position, and address of the guarantors. Regarding the registration, the undertaking shall endorse the guarantee interests.

### *Resolutions at general meetings of mutual undertakings*

**Section 241** The right of members and guarantors to make decisions in a mutual undertaking shall be exercised at the general meeting. Each member shall have at least one vote, cf. however, subsection (2).

(2) The articles of association may stipulate that the general meeting shall consist of representatives elected by the members and guarantors, or their proxies.

### *Articles of association in mutual undertakings*

**Section 242** The articles of association of mutual undertakings shall, apart from the conditions mentioned in Sections 28 and 29 of the Danish Companies Act, contain provisions regarding:

- 1) the liability of members and guarantors to the obligations of the undertaking, and regarding the mutual liability of members and guarantors, cf. section 237(2),
- 2) whether the undertaking shall be permitted to accept reinsurance without mutual liability, and
- 3) whether the guarantee capital shall be subject to interest, and if so, under which regulations.

### *Changes to the articles of association in mutual undertakings*

**Section 243** Decisions to change the articles of association shall be made at the general meeting, cf. however, Section 102(3) of the Danish Companies Act. The resolution shall only be valid if it is endorsed by no less than two-thirds of the votes cast. Moreover, the resolution shall comply with the articles of association in their entirety.

(2) Significant changes in the objects of an undertaking may, unless the articles of association stipulate otherwise, only be adopted if three-quarters of the guarantors and three-quarters of the members endorse it, or, if the general meeting consists of representatives, by three-quarters of said representatives. Notification to the guarantors of such changes shall be given no more than eight days after the resolution was made at the general meeting. Guarantors who oppose such changes may require the other guarantors to take over their guarantee interests if they make such a request no more than one month after the general meeting.

### *General meetings in mutual undertakings*

**Section 244** Legal proceedings regarding a resolution of a general meeting that has not been made legally or is contrary to this Act or to the articles of association of the mutual undertaking, may be commenced by a voting participant, a member of the board of directors, or by a member of the board of management.

(2) Such legal proceedings shall be commenced no later than three months after the decision, cf. however, subsection (3). Otherwise, the decision shall be regarded as valid.

(3) The time limit mentioned in subsection (2) shall not apply when:

- 1) the decision could not be made legally even with the consent of all voting participants,
- 2) the undertaking's articles of association require consent for the decision by all or certain members, guarantors or voting participants, and when such consent has not been given,
- 3) the general meeting has not been called, or the undertaking's regulations regarding calling a meeting have been substantially disregarded, or
- 4) the person who has commenced legal proceedings after expiry of the time limit mentioned in subsection (2), but no later than two years after the resolution was made, has had a good reason for the delay, and the courts, for this reason and in consideration of the general circumstances, find that application of the provisions in subsection (2) would lead to obvious unfairness.

(4) If the court finds that the resolution at the general meeting has not been made legally or is contrary to this Act or to the articles of association of the undertaking, cf. subsection (1), said resolution shall be made invalid or changed by the court. A change of the general-meeting resolution may, however, only be carried out if a claim in this regard is made and the court is able to determine the rightful content of said resolution. The court decision shall be valid for all members and guarantors.

#### *Special regulations for multi-employer occupational pension funds*

**Section 245** The board of directors of a pension fund shall consist of a chairman and an equal number of members of the board of directors, of which no less than half shall be elected by and amongst the members of said pension fund. However, the Minister for Industry, Business and Financial Affairs may, taking into account the circumstances of the pension fund, authorise another composition of the board of directors.

(2) The articles of association may stipulate that the election of the board of directors and changes to the articles of association shall be carried out by the members of the pension fund by ballot.

**Section 246** The provisions for mutual undertakings in Section 236 shall apply correspondingly to multi-employer occupational pension funds, cf. however, subsection (2).

(2) Section 120(1)-(3) of the Danish Companies Act shall not apply to multi-employer occupational pension funds.

#### *Multi-employer occupational pension funds*

**Section 247** For the purposes of this Act, multi-employer occupational pension funds shall mean associations or affiliations:

- 1) whose members have either received training or education within specific fields of training or education or are employed by undertakings of a specific nature and which have as their object to provide a pension in accordance with uniform rules for all the members as part of their conditions of employment or as part of some other form of attachment to an undertaking, or
- 2) whose members are self-employed persons within the same industry, and which have as their object to provide a pension in accordance with uniform rules for all their members.

**Section 248** With the exception of Section 237(2)-(4), the provisions for mutual undertakings shall also apply to multi-employer occupational pension funds.

**Section 249** The Danish FSA may lay down more detailed regulations defining the membership and activities of multi-employer occupational pension funds.

### *Labour-market-related life-assurance limited companies*

**Section 250** A labour-market-related life-assurance limited company shall mean a life-assurance limited company that:

- 1) is directly or indirectly owned by the trade unions of the policyholders, possibly in association with employers' organisations from the relevant sectors,
- 2) has been established through a collective agreement, and
- 3) according to its articles of association does not pay dividends to the owners.

(2) In addition to the condition mentioned in subsection (1), no. 3, the articles of association of the undertaking shall state:

- 1) that the undertaking is a “labour-market-related life-assurance limited company,”
- 2) how the assets of the undertaking are to be applied when there are no more insurance claims against the undertaking, and
- 3) that the tax-exempt part of the equity accumulated shall be applied for the public good or for charitable purposes.

(3) Surrender of shares in the undertaking to persons or organisations other than those mentioned in subsection (1), no. 1, or changes to the articles of association regarding the conditions mentioned in subsection (1), no. 3, and subsection (2) shall not take place without the approval of the Danish FSA. The Danish FSA may only issue such approval provided that the surrender of shares or changes in the articles of association is deemed to be in the interests of the insured parties.

(4) If the undertaking transfers its portfolio of insurance contracts, the undertaking shall also apply the tax-exempt part of the equity accumulated to the benefit of the insured parties. In cases of transfer of a specific part of the portfolio of insurance contracts, only the proportional share of the tax-exempt equity accumulated shall be applied to the benefit of the insured parties.

### *Special regulations for certain mutual undertakings with limited objects licensed to conduct non-life insurance business*

**Section 251** The provisions of Sections 252-257 shall apply to mutual undertakings licensed to conduct non-life insurance business whose articles of association state:

- 1) that the objects of the undertaking are limited to effecting contracts of insurance against accidents and sickness in such manner that the insured parties are also policyholders, or to effecting contracts of insurance for domestic animals,
- 2) that the undertaking only carries out business in Denmark,
- 3) that the undertaking does not take out contracts of insurance for periods of more than one year at a time,
- 4) that the undertaking only effects direct insurance contracts,
- 5) the maximum sum which the undertaking may accept on a single risk without reinsurance, or state a provision to the effect that regulations thereon shall be laid down by the Danish FSA in connection with the issue of the concession, and
- 6) the possibility of collecting supplementary contributions or reducing the benefits.

(2) A mutual undertaking licensed to conduct non-life insurance business shall, however, not be subject to the provisions of Sections 252-257 if:

- 1) its annual premium income exceeds an amount fixed by the Danish FSA, or
- 2) less than one-half of its annual premium income derives from natural persons who are members of the undertaking.

**Section 252** The articles of association may provide that a board of management shall not be appointed.

(2) If the undertaking has no board of management, the duties imposed on the board of management by this Act shall be performed by the board of directors.

**Section 253** The provisions of Section 242, no. 2, and Section 158(2) shall not apply to the formation of mutual undertakings with limited objects licensed to conduct non-life insurance business, cf. Section 251.

**Section 254** No members or guarantors may be enrolled before draft articles of association have been drawn up. The draft articles of association shall be available on such enrolment.

**Section 255** Mutual undertakings licensed to conduct non-life insurance business which are covered by Section 251(1), and which only operate within a small geographical area shall not be covered by the provisions of this Act, cf. however, subsections (2) and (3), if the total value of contracts of insurance effected does not exceed DKK 3m.

(2) Undertakings which are covered by subsection (1) shall, however, designate themselves as mutual undertakings, cf. Section 38(2), which shall apply correspondingly.

(3) Where a mutual non-life insurance undertaking is subject to supervision in pursuance of this Act, the undertaking shall remain under supervision, even though it may later satisfy the conditions for exemption set out in subsection (1). The Danish FSA may, however, exempt the undertaking from supervision if the undertaking makes a request to this effect in pursuance of a resolution passed by the general meeting.

**Section 256** The Danish FSA may exempt a mutual undertaking which has been granted a licence to pursue non-life insurance business, and which is covered by Section 251(1) from the provisions of this Act provided that:

- 1) the total value of contracts of insurance does not exceed DKK 6m and the undertaking's risk on a single contract of insurance does not exceed 3% of its total annual premium income, or
- 2) the undertaking only effects contracts of insurance within a limited geographical area and only for a single type of insurance.

(2) In the application of subsection (1), no. 1, account shall not be taken of the extent to which the undertaking has hedged its risk through reinsurance.

(3) The Danish FSA may apply the provision contained in subsection (1), no. 2, even though the undertaking effects contracts of insurance which are not covered by Section 251(1), no. 1, provided, however, that the undertaking does not take out professional indemnity insurance, industrial injuries insurance, motor vehicle insurance, suretyship insurance or credit insurance.

(4) An undertaking's request for exemption in pursuance of subsection (1) shall have been approved by the general meeting.

**Section 257** If a mutual undertaking which has been granted a licence to conduct non-life insurance business and which is not subject to supervision pursuant to the provisions in Sections 255 and 256 submits a request to be subject to this Act in pursuance of a resolution of the general meeting, the Danish FSA may determine that the undertaking shall be subject to this Act.

(2) When a decision has been taken pursuant to subsection (1), Sections 252-256 and subsection (1) shall apply again if permitted by the Danish FSA.

## ISPVs (Insurance Special Purpose Vehicles)

**Section 258** Legal persons carrying out activities as ISPVs shall be licensed as an ISPV.

(2) The Danish FSA may lay down rules on ISPVs, including on the possibility of withdrawing the licence to carry out activities as an ISPV.

### IX.

#### Regulations on supervision, control, and publication, etc.

##### Part 22

##### *Supervision, control, etc.*

##### *Supervision*

**Section 259** The Danish FSA shall supervise compliance with the provisions of this Act and with the regulations issued pursuant to this Act, with the exception of Section 24, Section 111(1) and (2), Section 137 and Section 242.

(2) Furthermore, the Danish FSA shall supervise compliance with the following:

- 1) Insurance undertakings' compliance with Section 32(4)(1) of the Danish Auditors Act, cf. Section 32(7) of the Danish Auditors Act.
- 2) Regulation No 1286/2014/EU of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs).
- 3) Council Regulation 2017/1509/EU of 30 August 2017 concerning restrictive measures against the Democratic People's Republic of Korea.
- 4) Regulation 2017/2402/EU of the European Parliament and of the Council of 12 December 2017 on a general framework for securitisation and establishing a specific framework for simple, transparent and standardised securitisation.
- 5) Regulation 2019/1238/EU of the European Parliament and of the Council of June 20, 2019, on a pan-European personal pension product (PEPP).
- 6) Regulation 2019/2088/EU of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector and rules issued pursuant thereto (Disclosure Regulation).
- 7) Regulation 2020/852/EU of the European Parliament and of the Council of 18 June 2020 establishing a framework for the promotion of sustainable investment and rules issued pursuant thereto.
- 8) Regulations issued pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).
- 9) Regulations issued pursuant to Directive 2016/97/EU of the European Parliament and of the Council of January 20, 2016, on insurance distribution.

**Section 260** The Danish FSA shall organise its routine supervisory activities with a view to promoting financial stability and confidence in insurance undertakings and the financial markets, and to protecting the interests of policyholders. In its supervisory activities, the Danish FSA shall examine in particular the viability of the business model of the individual insurance undertaking. The supervisory activities must be organised on the basis of considerations of materiality, with supervisory action being proportional to the potential risks or harmful effects. The executive management of the Danish FSA shall be responsible for the organisation of supervisory activities.

(2) In its organisation of supervisory activities, the Danish FSA shall consider the potential consequences for the financial stability in other Member States of the European Union or in a country with which the Union has entered into an agreement for the financial area. This shall apply in particular in connection with crisis situations. With regard to insurance undertakings which have been granted a licence to carry out both life assurance and non-life insurance business within the same undertaking, the Danish FSA shall focus on the sustainability of the overall business and the sustainability of the life assurance business and the non-life insurance business separately. For branches in Denmark of insurance undertakings licensed to provide or conduct insurance business in another Member State of the European Union or in a country with which the Union has entered into an agreement for the financial area, the Danish FSA shall supervise the branches and assist in the supervision of the branches.

(3) The Danish FSA may, in exceptional circumstances, utilise external assistance in connection with its supervisory activities.

**Section 261** The Danish Business Authority shall supervise compliance with Section 24 and Section 242.

#### *Accounting control*

**Section 262** The Danish FSA shall supervise that the regulations regarding financial information in annual reports and interim financial reports in Sections 178 and 181-187 and in regulations issued pursuant to section 190 are observed by insurance undertakings which have issued securities admitted to trading on a regulated market, cf. Section 213(1)-(5) and (8) of the Danish Capital Markets Act.

**Section 263** The Danish FSA may, upon request from the supervisory authority in the home country, prohibit the following foreign insurance undertakings from having full charge of its assets in Denmark, or limit their access hereto:

- 1) Insurance undertakings subject to the provisions of Sections 49(1) and 52(1).
- 2) Insurance undertakings which have assets in Denmark, but which are not subject to the provisions of Sections 49(1) and 52(1) where the insurance undertaking has been notified a concession in one of the Member States of the European Union or in countries which have implemented Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

**Section 264** The Danish FSA may, in pursuance of the procedures laid down under Union law in this respect, prohibit a foreign insurance undertaking covered by Sections 49(1) and 52(1) and domiciled in another Member State of the European Union or in a country with which the Union has entered into an agreement for the financial area from carrying out activities in Denmark through a branch or through offering services in Denmark.

(2) The Danish FSA may impose a prohibition pursuant to subsection (1) if the insurance undertaking has wilfully or repeatedly violated the provisions of this Act, regulations issued pursuant to this Act or other legislation regarding said insurance undertaking and if it has not been possible to cease said violation by means of orders or sanctions under this Act.

(3) If a prohibition issued pursuant to subsections (1) and (2) concerns an insurance undertaking that has arranged industrial injury insurance contracts in Denmark, the Danish FSA shall decide whether the undertaking's portfolio of industrial injury insurance contracts shall be placed under administration by the Danish Guarantee Fund for Non-life Insurers.

**Section 265** If the Danish FSA receives notification from the supervisory authorities of the host country that an insurance undertaking conducting insurance business under Section 61(1) or 63(1) in a Member

State of the European Union or in a country with which the Union has entered into an agreement for the financial area does not comply with the requirements imposed on the insurance undertaking by the supervisory authorities of the host country, the Danish FSA shall as soon as possible take all necessary measures to ensure that the insurance undertaking concerned remedies that irregular situation.

(2) The Danish FSA shall notify the supervisory authorities in the host country of measures taken pursuant to subsection (1).

#### *The Governing Board of the Danish FSA*

**Section 266** The Governing Board of the Danish FSA is involved in the supervision of insurance undertakings and insurance holding undertakings pursuant to Section 259(1), Section 260(1) and (2) and Sections 261, 262, 267 and 268 with the authority granted to the Governing Board pursuant to Section 345 of the Danish Financial Business Act.

(2) Section 285(1) shall apply to members of the Governing Board, the observer and members of the panel of experts.

#### *Inspections and reports*

**Section 267** The Danish FSA shall examine the circumstances of insurance undertakings and insurance holding undertakings, including reviews of regular reports and on-site inspections of individual undertakings.

(2) Following an on-site inspection of an insurance undertaking or an insurance holding undertaking, a meeting shall be held, including as participants the undertaking's board of directors, board of management, the responsible actuary, the external auditor and the chief internal auditor, unless such on-site inspection exclusively concerns clearly demarcated areas of activity within said undertaking. At said meeting, the Danish FSA shall announce its conclusions regarding the on-site inspection.

(3) Following an inspection visit, significant conclusions shall be submitted in the form of a written report to the undertaking's board of directors, board of management, the responsible actuary, the external auditor and the chief internal auditor.

**Section 268** The supervisory authorities of another Member State of the European Union or a country with which the Union has entered into an agreement for the financial area may, after prior notification to the Danish FSA, carry out on-site inspections of branches located in Denmark of foreign insurance undertakings which have their registered office in the relevant country. The Danish FSA shall participate in the on-site inspection mentioned in the first sentence, or may, in exceptional circumstances and at the request of the supervisory authority of the home country of the branch, carry out the on-site inspection of the branch alone.

(2) The supervisory authorities of another Member State of the European Union or a country with which the Union has entered into an agreement for the financial area may, with the authorisation of the Danish FSA, verify information provided by insurance undertakings and insurance holding undertakings, which are situated in Denmark and subject to supplementary supervision by the relevant supervisory authority under provisions laid down in directives within the financial area.

#### *Acquisition of information*

**Section 269** Insurance undertakings, insurance holding undertakings, suppliers and subcontractors shall provide the Danish FSA with the information necessary for the Danish FSA's performance of duties.

(2) Information provided in accordance with subsection (1) shall be corrected as soon as possible to the Danish FSA if the undertaking subsequently finds the following:

- 1) The information has not been correct at the time of submission.
- 2) The information has at a later stage become misleading.

**Section 270** The Danish FSA may at all times, on proof of identity, and without a court order, gain access to business premises belonging to an insurance undertaking and its branches or an insurance holding undertaking with a view to obtaining information, including during on-site inspections.

(2) To the extent required to assess the financial position of an insurance undertaking or an insurance holding undertaking, the Danish FSA may at all times, on proof of identity, and without a court order, gain access to the undertakings with which said insurance undertaking or insurance holding undertaking has specific direct or indirect links.

(3) The Danish FSA may ask for any information, including financial statements, accounting records, printouts of books, other business records, and electronically stored data deemed necessary for the activities of the Danish FSA or for deciding whether a natural or legal person is covered by the provisions of this Act.

(4) The Danish FSA may, at any time, on presentation of appropriate identification, and without a court order, be entitled to gain access to the business premises belonging to a supplier or a sub-supplier with a view to gathering information about the outsourced activity.

(5) The Danish FSA may directly approach an undertaking which is not an insurance undertaking or an insurance holding undertaking, but which is part of a group subject to group supervision in accordance with Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) to obtain the information necessary for the supervision of the group only if the undertaking responsible under the regulations on group supervision has already been requested to provide that information, but has failed to do so within an appropriate time limit.

**Section 271** The Danish FSA may obtain information pursuant to Section 269(1) and Section 270(1)-(3) for use by the authorities and bodies mentioned in Section 289(1), no. 3-12.

#### *Default fines*

**Section 272** Where the board of directors, board of management, external auditor, chief internal auditor, responsible actuary, liquidator, general agent, branch manager or board of representatives of an insurance undertaking fail to comply within the proper time with the duties and obligations imposed on them under this Act, Regulation (EU) 2015/35 of the European Parliament and of the Council supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) or rules issued pursuant to this Act or regulations towards the Danish FSA or the Danish Business Authority respectively, the Danish FSA or the Danish Business Authority may, as a coercive measure, impose daily or weekly default fines on them.

(2) If a natural or legal person omits to fulfil the obligations consequential upon Section 270(2) and (3), the Danish FSA may, as a coercive measure, impose daily or weekly default fines on the natural or legal person or on the persons responsible for said legal person.

(3) If an insurance undertaking omits to comply with an order issued pursuant to Section 280(1), (3) and (4), the Danish FSA may, as a coercive measure, impose daily or weekly default fines on said undertaking.

#### *Authorities*

**Section 273** The Danish FSA may order an insurance undertaking or an insurance holding undertaking to arrange for and pay the costs of holding an impartial investigation of one or more aspects of an

insurance undertaking or an insurance holding undertaking, if the Danish FSA deems that this is significant for supervision of the undertaking and this is not a routine investigation for the Danish FSA. The results of the impartial investigation shall be given in a written report which shall be available within a time limit set by the Danish FSA. The Danish FSA may decide that the experts, cf. subsections (2)-(6), are to carry out regular reporting to the Danish FSA about matters in connection with the investigation.

(2) The impartial investigation shall be carried out by one or more experts. The insurance undertaking or insurance holding undertaking shall appoint the experts within a time limit set by the Danish FSA. The proposed experts shall be subject to approval by the Danish FSA.

(3) The insurance undertaking or insurance holding undertaking shall provide the experts with such information as is necessary for the performance of the impartial investigation.

(4) The experts shall submit a copy of the written report of the investigation to the Danish FSA by no later than at the time the report is submitted to the insurance undertaking or insurance holding undertaking.

(5) The experts shall immediately provide the Danish FSA with information about conditions they observe during the impartial investigation, if the information is of significant importance to the risk profile or business model of the insurance undertaking or the insurance holding undertaking and may result in a not insignificant risk that these conditions could develop such that the undertaking will lose its licence.

(6) If, because of his or her special situation, the expert cannot disclose the information under subsections (4) and (5) to the Danish FSA, notification of the Danish FSA may be effected by others than the expert, including by the insurance undertaking or the insurance holding undertaking.

**Section 274** The Danish FSA may order an insurance undertaking or an insurance holding undertaking to allow one or more experts to follow the undertaking for a period of up to 6 months in order to manage the work of the Danish FSA where the Danish FSA assesses that there are significant circumstances to justify this. The same shall apply to branches covered by Section 3.

(2) An undertaking that has received an order pursuant to subsection (1) shall provide the experts with the information and access to meetings necessary for the experts to follow the daily operations of the undertaking, including meetings of the board of directors, meetings of the management board and general meetings and including its branches with a view to obtaining information.

(3) In connection with the observation of the daily operations of the undertaking, the experts shall inform the Danish FSA of circumstances of material importance to the work of the Danish FSA. The Danish FSA may specify conditions for the notifications.

(4) The experts shall be appointed by the Danish FSA. The costs for the experts may, on a preliminary basis, be paid by the Danish FSA, but shall ultimately be borne by the undertaking. The Danish FSA may require upfront or ongoing payment or collateral from the undertaking.

(5) The Minister for Industry, Business and Financial Affairs may lay down more detailed regulations regarding the experts, including regulations regarding their appointment and remuneration.

**Section 275** The Danish FSA may order that matters which are contrary to Sections 67 and 72 be rectified.

**Section 276** The Danish FSA may order the management of an insurance undertaking to prepare an account of the financial position and future prospects of the undertaking. The board of directors, board of management, the responsible actuary, the external auditor and the chief internal auditor of the insurance undertaking shall confirm that they have been made aware of the contents of the order issued by the Danish FSA by signing said order.

(2) The account shall

- 1) include a statement made by the external auditor of the insurance undertaking, unless the account has been prepared by said auditor in its entirety,
- 2) be submitted for the approval by the board of directors of the undertaking, and
- 3) be submitted, in the form of a copy, to the Danish FSA.

**Section 277** The Danish FSA may require an insurance undertaking to take the measures necessary within a time limit specified by the Danish FSA, if

- 1) the financial position of the undertaking has deteriorated to such a degree that the interests of the insured parties or other investors are exposed to danger, or
- 2) there is a not insignificant risk that, because of internal or external conditions, the financial position of the undertaking will develop so that the undertaking loses its licence.

(2) Where the measures ordered, cf. subsection (1), have not been taken within the time limit specified, the Danish FSA may withdraw the undertaking's licence.

(3) Subsections (1) and (2) shall apply correspondingly to a group of undertakings where the parent undertaking is an insurance holding undertaking or an insurance undertaking, if there is a significant risk that the financial position of the group will develop in such a way that the group will not comply with the capital requirement for the group.

**Section 278** The Danish FSA shall set an additional capital requirement for the solvency capital requirement for a group 1 insurance undertaking, if the Danish FSA judges that

- 1) the undertaking's risk profile deviates substantially from the conditions in the standard formula or the authorised internal model used to calculate the solvency capital requirement, cf. Section 154(2),
- 2) the undertaking's corporate management deviates substantially from Section 133, or
- 3) the undertaking's risk profile deviates substantially from the conditions for using in a matching adjustment, cf. Section 158(2), or a volatility adjustment, cf. Section 158(3).

(2) Whether a substantial deviation exists under subsection (1) shall be assessed in accordance with detailed rules on this established by the European Commission pursuant to Article 37(6) of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

(3) If the condition in subsection (1), no. 1, is met, the additional capital is calculated in accordance with the solvency capital requirement, cf. Section 154.

(4) If the Danish FSA judges that the risk profile of a group 1 insurance undertaking deviates significantly from the assumptions in an authorised internal model for the group approved by the group supervisor, the Danish FSA may, as long as the undertaking has not found an appropriate solution to the deficiencies identified by the Danish FSA, set an additional capital requirement, cf. subsection (1), no. 1. If the Danish FSA deems that an additional capital requirement is not appropriate, the Danish FSA may exceptionally require the undertaking to calculate the solvency capital requirement on the basis of the standard formula, cf. Section 154(2). The Danish FSA may, in accordance with subsection (1), nos. 1 and 2, set an additional capital requirement for this solvency capital requirement.

(5) The Danish FSA shall review the additional capital requirement at least once a year, and the requirement will cease when the undertaking has corrected the conditions that gave rise to said requirement.

(6) If the Danish FSA sets an additional capital requirement in accordance with subsection (1), the solvency capital requirement, cf. Section 154, together with the additional capital requirement shall constitute the new solvency capital requirement. If the group 1 insurance undertaking does not meet the

new solvency capital requirement in accordance with the first sentence, Section 223 shall apply correspondingly.

**Section 279** In the event that an insurance undertaking or an insurance holding undertaking which has issued securities admitted for trading on a regulated market does not meet its obligations under the provisions of Sections 178 and 181-187 or provisions laid down in pursuance of Section 190, the Danish FSA may order the relevant undertaking to rectify the matter and to make public amended or supplementary information.

(2) If deemed appropriate, the Danish FSA itself may make public the relevant information or the order or suspend or remove the securities involved from trading on a regulated market.

**Section 280** The Danish FSA may order an insurance undertaking to remove a member of the board of management within a time limit specified by the Danish FSA, if, pursuant to Section 105(1) or Section 106, said person may not occupy the position.

(2) The Danish FSA may order a member of the board of directors of an insurance undertaking to resign his position within a time limit specified by the Danish FSA, if, pursuant to Sections 105(1), 106 or 109(1), said person may not occupy the position.

(3) The Danish FSA may order a group 1 insurance undertaking to remove an employee identified as a key function holder pursuant to Section 127(1), within a time limit specified by the Danish FSA, if, pursuant to Section 105(1), cf. Section 127(3), said person may not occupy the position.

(4) The Danish FSA may order an insurance undertaking to remove a member of the board of management, when legal proceedings have been instigated against said person in a criminal procedure on violation of the Criminal Code, the financial legislation or other relevant legislation, until the criminal procedure has been concluded, if a conviction would mean that the member of the board of management does not fulfil the requirements of Section 105(1), no. 3. The Danish FSA shall lay down a time limit within which the requirements of the order shall be met. The Danish FSA may, under the same conditions as the first sentence, order a member of the board of directors or an employee who is a key function holder or the member of the board of directors of a group 1 insurance undertaking to cease their duties pursuant to Section 105(1), no. 3, cf. section 127(1) and (3). The Danish FSA shall lay down a time limit within which the requirements of the order shall be met.

(5) The duration of an order issued pursuant to subsections (1), (2) or (4) on the basis of Section 105(1), nos. 2-5, or Section 109(1) or pursuant to subsection (3) shall appear on the order.

(6) Orders issued pursuant to subsections (1)-(4) may be brought before the courts at the request of the insurance undertaking and of the person to whom the order relates. Such request shall be submitted to the Danish FSA within four weeks from the date on which the order was issued to the person. The request shall not act as stay of proceedings for the order, but the court may, by court order, decide that the relevant member of the board of management or the relevant member of the board of directors may retain their position during the legal proceedings. The Danish FSA shall bring the case before the courts within four weeks of receiving a request. The case shall be brought through civil proceedings.

(7) The Danish FSA may, of their own accord or based on an application, revoke an order issued to a board member under subsections (2), (3) or (5). Should the Danish FSA deny an application for revocation, the applicant may demand the denial be brought before the courts. Such request shall be submitted to the Danish FSA within four weeks from the date on which the refusal was notified to the person. Requests for judicial review may, however, only be submitted if the order has no time limit, and no less than five years have elapsed from the date of issue of the order, or no less than two years after the refusal of withdrawal by the Danish FSA was affirmed by judgement.

(8) If the insurance undertaking does not remove the member of the board of management or if the group 1 insurance undertaking does not remove an employee identified as a key function holder pursuant to Section 127(1), before expiry of the time limit, the Danish FSA may withdraw the licence of the undertaking, cf. Section 199(1), no. 2. The Danish FSA may also withdraw the licence of the undertaking, cf. Section 199(1), no. 2, if a member of the board of directors fails to comply with an order notified pursuant to subsections (2), (3) and (5).

(9) Decisions in cases under Section 105(1) and 127(3) made pursuant to Section 105(2) may be brought before the courts at the request of the insurance undertaking and of the person to whom the order relates. Such request shall be submitted to the Danish FSA within four weeks from the date on which the decision was announced to the person. The request shall not act as stay of proceedings for the decision, but the court may, by court order, decide that said person may take up the office or position for which the person has applied for prior approval. The Danish FSA shall bring the case before the courts within four weeks of receiving a request. The case shall be brought through civil proceedings.

**Section 281** The Danish FSA may independently or in collaboration with other authorities carry out such investigations as are appropriate to promote transparency within the financial market and publish the results of such investigations.

**Section 282** In cases where an insurance undertaking is declared bankrupt, the majority of the operations of the insurance undertaking have ceased or have been transferred, or where the insurance portfolio of an insurance undertaking has been taken under administration, the Danish FSA shall prepare a report on the causes of this, if one of the situations mentioned below has occurred in connection with, or in a short period before, the bankruptcy, etc.:

- 1) The State has incurred losses on certificates of ownership which the State has acquired as part of conversion of such capital.
- 2) The State has in some other way granted a guarantee or made funds available for the undertaking, its creditors or an acquirer of all or part of the undertaking.

(2) The Danish FSA shall publish the report pursuant to subsection (1). Section 285 shall not apply in connection with publication unless the information relates to client relationships or third parties who are or have been involved in attempts to save the relevant insurance undertaking.

(3) The report shall describe the role of the Danish FSA during the course of events leading up to the bankruptcy, etc.

#### *The Consumer Ombudsman*

**Section 283** The Consumer Ombudsman may institute legal proceedings regarding actions contrary to honest business principles and good practice, cf. Section 67(1), and regulations issued pursuant to Section 67(2), including proceedings on prohibitions and orders, compensation, and claims for repayment of illegally demanded amounts.

(2) The Consumer Ombudsman may consider cases concerning violation of provisions subject to penalty in regulations issued pursuant to Section 67(3) of this Act.

(3) Sections 24, 25(2), 28(1), 32(1) and Sections 33 and 34 of the Danish Marketing Practices Act shall apply correspondingly to legal proceedings the Consumer Ombudsman wishes to institute pursuant to subsections (1) and (2).

(4) The Consumer Ombudsman may be appointed as group representative in group actions, cf. Part 23a of the Danish Administration of Justice Act.

**Section 284** The Danish FSA shall notify the Consumer Ombudsman if it comes to the attention of the Danish FSA that a client of an undertaking may have suffered a loss as a consequence of the undertaking

having violated Section 67(1) or provisions issued in pursuance of Section 67(2).

(2) Notwithstanding Sections 285, 287 and 290, the Consumer Ombudsman shall have access to all the information in the cases of the Danish FSA covered by subsection (1).

(3) The Consumer Ombudsman shall be under a duty of confidentiality pursuant to Section 285(1).

## Part 23

### *Duty of confidentiality*

**Section 285** By virtue of Sections 152–152e of the Danish Criminal Code, employees of the Danish FSA shall be obliged to keep secret any confidential information they receive in the course of their supervisory duties. The same shall apply to persons performing services as part of the operations of the Danish FSA and experts who act on behalf of the Danish FSA. This shall also apply after the termination of the employment or contractual relationship. Sentences one to three shall also apply to employees of the Danish Business Authority with regard to information which they receive through performance of tasks pursuant to Section 213(1)-(5) and (8) of the Danish Capital Markets Act.

(2) Consent from the individual whom the duty of confidentiality is intended to protect shall not entitle the persons mentioned in subsection (1) to divulge confidential information.

(3) Subsection (1) shall not, however, apply to information in cases regarding good business practice and price information, cf. Sections 67-81, and executive orders issued in pursuance thereof.

(4) The provision of subsection (1) shall not prevent the Danish FSA from disclosing, on its own initiative, confidential information in the form of summaries, insofar as neither individual undertakings nor their clients are identifiable.

(5) Confidential information may be divulged during civil legal proceedings, when an insurance undertaking has been declared bankrupt or is in liquidation, and provided that such information does not involve clients or third parties where said clients or third parties are or have been involved in attempts to save the undertaking.

**Section 286** If a case regarding good practice, etc. is covered by the decision-making authorities of the Governing Board of the Danish FSA pursuant to Section 345(12), nos. 4 and 6, of the Danish Financial Business Act, the following documents are exempt from public access under the Danish Public Administration Act until said Governing Board has made its decision:

- 1) The draft decision of the Danish FSA regarding a case or the draft decision of the Danish FSA to pass on a case for police investigation.
- 2) Statements given by the party relating to the draft decision of the Danish FSA regarding a case or the draft decision of the Danish FSA to pass on a case for police investigation.
- 3) Supplementary correspondence between the Danish FSA and said party relating to the draft decision of the Danish FSA regarding a case or the draft decision of the Danish FSA to pass on a case for police investigation.

**Section 287** Employees at the Danish FSA may not disclose information regarding a person if said person has reported an undertaking or a person to the Danish FSA for violation or potential violation of financial regulations supervised by the Danish FSA, cf. however, subsection (2).

(2) The provision in subsection (1) shall not prevent personal data from being divulged pursuant to Section 284(2) or Section 288(1).

(3) The provision in subsection (1) shall not prevent personal data relating to a client from being divulged to an insurance undertaking in connection with cases covered by Section 285(3) or in cases concerning violations of Part 9 of this Act when said client has given its express consent to the disclosure.

(4) All those receiving personal data under subsection (2) shall fall under the duty of confidentiality mentioned in subsection (1) with regard to said information.

*Exceptions to the duty of confidentiality*

**Section 288** Section 285(1) shall not prevent confidential information from being disclosed to:

- 1) The Systemic Risk Council.
- 2) Other public authorities, including the prosecution service and the police, in connection with investigations and legal prosecution of possible criminal offences covered by the Danish Criminal Code or the supervision legislation.
- 3) The Minister concerned as part of their overall supervision, cf. however, Section 289(5).
- 4) Administrative authorities and courts hearing decisions made by the Danish FSA.
- 5) The Ombudsman of the Danish Parliament.
- 6) The Minister of Employment in the event of notification pursuant to the Danish ATP Act (lov om Arbejdsmarkedets Tillægspension), the LD Pensions Act (lov om Lønmodtagernes Dyrtidsfond) and the Danish Workers' Compensation Act (lov om arbejdsskadesikring).
- 7) A parliamentary commission set up by the Danish Parliament, cf. Section 51 of the Danish Constitutional Act, cf. however, Section 289(4) and (5).
- 8) Courts of inquiry set up by law or in accordance with the Danish Act on commissions of inquiry (lov om undersøgelseskommissioner og granskningskommissioner), cf. however, Section 289(4) and (5).
- 9) The standing committee of the Danish Parliament regarding the general financial circumstances of a financial undertaking with respect to crisis management of insurance undertakings when a decision is to be made on the extent to which the government is to grant guarantees or make funds available. The same shall apply correspondingly in connection with parliamentary control in cases covered by the first sentence.
- 10) Members of the Public Accounts Committee and the National Audit Office of Denmark (Statsrevisorerne og Rigsrevisionen).
- 11) Interested parties, including authorities involved in attempts to save a failing insurance undertaking, if the Danish FSA has received a mandate from the Minister for Industry, Business and Financial Affairs, cf. however, Section 289(5).
- 12) Auditors appointed by the Institute of State Authorised Public Accountants (Foreningen af Statsautoriserede Revisorer) pursuant to Section 144(5), second sentence, of the Danish Financial Business Act.
- 13) The bankruptcy court, cf. however Section 289(4), other authorities participating in liquidation, bankruptcy proceedings or similar procedures, and the trustee, as well as persons responsible for the statutory audit of the financial statements of an insurance undertaking, provided that such recipients of information need said information to perform their duties.
- 14) Institutions managing depositor, investor or insurance guarantee schemes provided that such information is required by the recipients for the performance of their duties.
- 15) Committees, groups, etc. established by the Minister of Industry, Business and Financial Affairs, which aim to discuss and coordinate efforts to ensure financial stability.
- 16) The Danish Business Authority in its capacity as supervisory authority for observance of company law when disclosure takes place to strengthen the stability and integrity of the financial system, cf. however, Section 289(4), the Danish Business Authority and the Revisornævnet (the disciplinary board for state-authorized public accountants and registered public accountants) in their capacity as supervisory authority for the statutory auditing of the financial statements of insurance undertakings,

cf. however Section 289(4), and the Danish Business Authority when such information relates to a fund or an association covered by Section 197. Disclosure pursuant to the first sentence may only take place provided that the recipient needs said information to perform its duties.

- 17) Experts who assist the Danish FSA, the Danish Business Authority, the Revisornævnet (the disciplinary board for state-authorized public accountants and registered public accountants) and institutions which manage depositor's guarantee schemes, investor compensation schemes or insurance guarantee schemes with the performance of their supervisory functions provided that the recipient needs said information to perform their duties, cf. however, Section 289(4) and (5).
- 18) The Faroese Minister of Finance, as part of the responsibility for economic stability in the Faroe Islands and for crisis management of insurance undertakings in the Faroe Islands.
- 19) The Greenlandic Minister for Industry, and Labour Market, as part of the responsibility for economic stability in Greenland and for crisis management of insurance undertakings in Greenland.
- 20) The standing committee of the Faroese Parliament (Lagtinget) regarding the general financial circumstances of a Faroese insurance undertaking with respect to crisis management of Faroese insurance undertakings when a decision is to be made on the extent to which the Faroese government is to grant guarantees or make funds available. The same shall apply correspondingly in connection with parliamentary control in cases covered by the first sentence.
- 21) The standing committee of the Greenlandic Parliament (Inatsisartut) regarding the general financial circumstances of a Greenlandic insurance undertaking with respect to crisis management of Greenlandic insurance undertakings when a decision is to be made on the extent to which the Greenlandic government is to grant guarantees or make funds available. The same shall apply correspondingly in connection with parliamentary control in cases covered by the first sentence.
- 22) Faroese supervisory authorities for the financial area provided that the recipients of said information are subject to a statutory duty of confidentiality corresponding, as a minimum, to the duty of confidentiality pursuant to Section 285(1) and that said recipients require said information to perform their duties, cf. however, Section 289(4).
- 23) The Danish Centre for Cyber Security, provided that the information is necessary for the Centre to fulfil its statutory duties as a national central contact point or as a CSIRT.
- 24) The Danish Data Protection Agency as an independent supervisory authority for compliance with the data protection rules, provided that the Danish Data Protection Agency needs the information for the performance of its duties, cf. however, Section 289(4).
- 25) The International Monetary Fund (IMF) and the World Bank for the purpose of assessments under the Financial Sector Assessment Program upon explicit request and provided that the International Monetary Fund (IMF) and the World Bank need the information for the performance of their duties.
- 26) The Bank for International Settlements (BIS) for the purpose of quantitative impact assessments upon explicit request and provided that the Bank for International Settlements (BIS) needs the information for the performance of its duties.
- 27) The Financial Stability Board (FSB) for the purpose of its supervisory function upon explicit request and provided that the Financial Stability Board (FSB) needs the information for the performance of its duties.

(2) Confidential information received by the Danish FSA may only be used in the course of its supervisory duties, to impose sanctions in connection with resolutions, or where appeals are made against the decision of the Danish FSA to a higher administrative authority or where such a decision is brought before the courts of law.

(3) Access to issue confidential information to the standing committee of the Danish Parliament under subsection (1), no. 9, shall be limited to documents in cases established in the Danish FSA after 16  
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September 1995. Access to issue confidential information to the standing committee of the Faroese Parliament (Lagtinget) under subsection (1), no. 20, and to the standing committee of the Greenlandic Parliament (Inatsisartut) under subsection (1), no. 21, shall be limited to documents in cases which were established in the Danish FSA after 1 January 2006.

(4) Where a debtor, guarantor, or investor has significant exposures to several insurance undertakings, the Danish FSA may notify the relevant undertakings of this fact.

**Section 289** Section 285(1) shall not prevent confidential information from being disclosed to:

- 1) Danmarks Nationalbank (Central Bank of Denmark), central banks in Member States of the European Union or countries with which the Union has entered into an agreement for the financial area, the European System of Central Banks and the European Central Bank in their capacity as monetary policy authorities, as well as public authorities which monitor payment systems in Denmark and other Member States of the European Union or countries with which the Union has entered into an agreement for the financial area, provided that the information is necessary for said banks to meet their statutory obligations, including performance of monetary policy, monitoring of payment and securities management systems as well as safeguarding the stability of the financial system.
- 2) An institution which carries out clearing proceedings for securities or money, provided that such information is required to ensure that said institution reacts duly to non-compliance or potential non-compliance within the market where said institution is responsible for clearing proceedings, cf. however, subsection (5).
- 3) Financial supervisory authorities in other Member States of the European Union or in countries with which the Union has entered into an agreement for the financial area which are responsible for the supervision of insurance undertakings or of the financial markets, as well as authorities and bodies which are responsible for maintaining financial stability through macroprudential regulation, authorities or bodies the purpose of which is to ensure financial stability, or bodies participating in liquidation, bankruptcy proceedings or similar procedures for insurance undertakings, as well as persons who are responsible for the statutory auditing of the financial statements of insurance undertakings, provided that the recipients of information need said information to perform their duties.
- 4) Bodies in other Member States of the European Union or in countries with which the Union has entered into an agreement for the financial area which supervise bodies participating in liquidation, bankruptcy proceedings or similar procedures for insurance undertakings, and authorities which are responsible for the supervision of contractual protection schemes, provided that the recipient of the information needs said information to perform its duties, cf. however, subsection (4).
- 5) Bodies in other Member States of the European Union or in countries with which the Union has entered into an agreement for the financial area which are responsible for establishing violations of company law, provided that the recipients of information need it to perform their duties and that disclosure takes place to strengthen the stability and integrity of the financial system, cf. however, subsection (4).
- 6) Experts who assist authorities in other Member States of the European Union or in countries with which the Union has entered into an agreement for the financial area which supervise bodies participating in liquidation, bankruptcy proceedings or similar procedures for insurance undertakings and authorities which are responsible for the supervision of contractual protection schemes, provided that the recipient of the information needs said information to perform their duties, cf. however, subsection (4).

- 7) Ministers with responsibility for the financial legislation in other Member States of the European Union or in countries with which the Union has entered into an agreement for the financial area, in connection with crisis management of an insurance undertaking.
- 8) Investigatory committees established by the European Parliament in accordance with article 226 of the Treaty on the Functioning of the European Union.
- 9) The European Systemic Risk Board, the European Insurance and Occupational Pensions Authority, as well as bodies established by these authorities, provided that recipients of information need said information to perform their duties.
- 10) The financial supervisory authorities in countries outside the European Union with which the Union has not entered into an agreement for the financial area which are responsible for the supervision of insurance undertakings or of the financial markets, authorities and bodies which are responsible for maintaining financial stability through macroprudential regulation, or bodies the purpose of which is to ensure financial stability and contractual protection schemes or bodies participating in liquidation, bankruptcy proceedings or similar procedures for insurance undertakings, as well as persons responsible for the statutory auditing of the financial statements of insurance undertakings, cf. however, subsections (3) and (4).
- 11) Bodies in countries outside the European Union or in countries with which the Union has not entered into an agreement for the financial area which supervise bodies participating in liquidation, bankruptcy proceedings or similar procedures for insurance undertakings, authorities which are responsible for the supervision of contractual or institutional protection schemes, and authorities which supervise persons who are responsible for the statutory auditing of the financial statements of insurance undertakings, cf. however, subsections (3) and (4).
- 12) Bodies in countries outside the European Union or in countries with which the Union has not entered into an agreement for the financial area which are responsible for establishing violations of company law, provided that disclosure takes place to strengthen the stability and integrity of the financial system, cf. however, subsections (3) and (4).
- 13) Experts who assist the authorities in countries outside the European Union or in countries with which the Union has not entered into an agreement for the financial area which supervise bodies participating in liquidation, bankruptcy proceedings or similar procedures for insurance undertakings and authorities which supervise persons who are responsible for the statutory auditing of the financial statements of insurance undertakings, provided that the recipients of the information need said information to perform their duties, cf. however, subsections (3) and (4).

(2) Confidential information received pursuant to subsection (1), no. 9, may, notwithstanding the duty of confidentiality mentioned in Section 290, directly be exchanged between the European Insurance and Occupational Pensions Authority and bodies established by said authority on the one hand and the European Systemic Risk Board on the other hand.

(3) Information may only be divulged pursuant to subsection (1), nos. 10-13

- 1) on the basis of an international co-operation agreement, and
- 2) provided that the recipients of said information are, at a minimum, subject to a statutory duty of confidentiality corresponding to the duty of confidentiality pursuant to subsection (1) and that said recipients require said information to perform their duties.

(4) Furthermore, disclosure of confidential information from Member States of the European Union or countries with which the Union has entered into an agreement for the financial area shall only be disclosed pursuant to subsection (1), nos. 4-6 og 10-13, and Section 288(1), nos. 7, 8, 13, 16, 17, 22 and 23, where the authorities submitting said information have granted express licence to do so, and said

information shall only be used for the purposes specified by said licence. On disclosure of information pursuant to subsection (1), nos. 6 and 13, and Section 288(1), no. 17, the Danish FSA shall inform the authorities or bodies which have disclosed said information of the experts to which said information will be disclosed, specifying the authority of said experts.

(5) Confidential information may only be disclosed pursuant to subsection (1), no. 2, and Section 288(1), nos. 3, 7, 8, 11 and 17, if the authorities or bodies which have issued said information, or the authorities of the Member State in which the inspection visit or on-site inspection has been carried out, have given their express consent, and the information has been received from one of the following authorities, etc:

- 1) The European Systemic Risk Board, the European Insurance and Occupational Pensions Authority and bodies established under these, as well as pursuant to this Act, regulations issued pursuant to this Act, Article 15 of Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board and Articles 31 and 36 of Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority (ESMA)).
- 2) Authorities responsible for the supervision of insurance undertakings and financial markets.
- 3) Authorities and bodies which are responsible for maintaining the stability of the financial system through the use of macroprudential regulations.
- 4) Authorities or bodies the purpose of which is to ensure the financial stability and contractual or institutional protection schemes.
- 5) Institutions, which manage depositor's guarantee schemes, investor compensation schemes or insurance guarantee schemes.
- 6) Bodies participating in liquidation, bankruptcy proceedings or similar procedures for insurance undertakings.
- 7) Persons responsible for the statutory auditing of the financial statements of insurance undertakings where the information has been obtained through inspection visits or reviews pursuant to Section 268(1).

**Section 290** All those receiving confidential information from the Danish FSA under Section 285(5), Section 288(1) and Section 289(1) shall fall under the duty of confidentiality mentioned in Section 285(1).

## Part 24

### *Publication*

#### *Publication by the Danish FSA*

**Section 291** The Danish FSA shall make the following information public on the website of the Danish FSA specifying the name of the undertaking, cf. however, Sections 296 and 297:

- 1) Reactions pursuant to Section 266(1), cf. Section 345(12), no. 4, of the Danish Financial Business Act or from the Danish FSA following delegation from the Governing Board of the Danish FSA to a supervised undertaking.
- 2) Reactions pursuant to Section 266(1), cf. Section 345(12), no. 4 and 6, of the Danish Financial Business Act or from the Danish FSA following delegation from the Governing Board of the Danish FSA to an undertaking not under supervision.

- 3) Decisions to pass on cases for police investigation.
- 4) Violations of the prohibition against conducting insurance business without a licence, cf. Sections 14-18.

(2) The Danish FSA shall publish an account of the Danish FSA's practice under Section 105(1), no.

1. The account shall be published at least once a year.

**Section 292** The Danish FSA shall inform the public about cases that are dealt with by the Danish FSA, the prosecution service or the courts, and which are of public interest or of significance for the interpretation of Sections 67, 68, 71-74 and 76-81 and executive orders issued in pursuance thereof.

**Section 293** In cases regarding violations of Section 87(1), Sections 91 and 92, Section 105(1) and Section 106, cf. however, Section 297, the Danish FSA shall publish on its website reprimands, orders or default fines issued pursuant to Section 259, as well as the name of the undertaking or person. The first sentence shall apply correspondingly to reprimands, orders and default fines made by the Governing Board of the Danish FSA in the aforementioned cases.

**Section 294** If the reprimand, order or default fine published in accordance with Section 291(1), no. 1 and 2, or Section 293, is brought before the Danish Company Appeals Board (Erhvervsankenævnet) or the courts, this shall be stated in the publication. Status and subsequent result of the decision made by the Company Appeals Board, or the courts shall also be published on the Danish FSA's website as soon as possible.

**Section 295** If a case is passed on for police investigation and a conviction has been made in full or in part or a fine has been accepted, or if a case has been decided through adoption of an administrative fine notice, the judgement, the fine or a summary hereof shall be made public, cf. however, Section 296. If the judgement is not final, or if it has been appealed, this shall be stated in said publication.

(2) In cases where the Danish FSA has published a decision to turn over a case to police investigation under Section 291(1), no. 3, and subsection (1), and a decision of discharge or no case to answer is reached or the claim is dismissed, the Danish FSA shall, upon request from the undertaking or person the case concerns, publish information to this effect. The undertaking shall submit a copy of the decision of discharge or no case to answer or a copy of the judgement to the Danish FSA together with a request for publication. The decision of discharge, no case to answer, or judgement shall be stated in the publication. If the Danish FSA receives documentation that the case is closed by decision of discharge, no case to answer, or judgement of final dismissal, the Danish FSA shall remove all information on the decision to turn the case over to police investigation and any consequent judgements in the case from the homepage of the Danish FSA.

#### *Restrictions on the Danish FSA's publication of information*

**Section 296** Publication pursuant to subsections (1)-(3) may not take place if

- 1) it would cause disproportionate damage to the undertaking,
- 2) it would jeopardise the stability of financial markets, or
- 3) investigative considerations speak against publication.

(2) Publication pursuant to section 291(1), no. 1-3, and Sections 293 and 295 may not contain

- 1) confidential information about customer relationships or information covered by Section 30 of the Danish Act on Public Administration (lov om offentliggørelse af oplysninger), or
- 2) confidential information originating from financial supervisory authorities in other countries, inside or outside the European Union, unless the authorities providing the information have given their explicit consent.

(3) If publication is omitted under subsection (1), publication pursuant to Section 291(1), no. 1-3, or Section 295 shall be effected when the considerations necessitating omission no longer apply. This shall only apply, however, for up to two years after the date of the reaction.

(4) No publications shall be made of reactions pursuant to Section 291(1), no. 1 and 2, regarding the requirements in Section 105(1), no. 7, cf. subsection (1), or subsection (8), cf. subsection (1), Section 127(3), cf. Section 105(1), Section 127(6), cf. subsection (3), cf. Section 105(1), Section 106 or Section 109(1).

**Section 297** Publication pursuant to Section 293 shall be made in anonymised form in the following cases:

- 1) Publication in non-anonymised form would cause disproportionate damage to the undertaking or person.
- 2) Investigative considerations speak against publication in non-anonymised form.
- 3) Publication in non-anonymised form would jeopardise financial stability.
- 4) Societal considerations for publishing a person's name shall be deemed not to be proportional to the interests of the person.

#### *Time and duration of the Danish FSA's publication of information*

**Section 298** Publication of information under this Part shall be made as soon as possible after the person or undertaking has been informed of the reaction or decision. If the Danish FSA cannot notify the person concerned, publication may still take place.

(2) The published information shall be indicated on the Danish FSA's website for at least five years from the date of publication. However, publication of information concerning persons shall only be indicated on the Danish FSA's website as long as the information is deemed necessary in relation to the public interest considerations behind the publication.

#### *Publication of information by undertakings*

**Section 299** If a reaction, etc. directed at a supervised undertaking is published pursuant to Section 291 or if a judgement or acceptance of fine directed at or adopted by a supervised undertaking is published pursuant to Section 295, the undertaking shall publish said reaction, etc., judgment or acceptance of fine on its website in a place where it logically belongs. Publication of information concerning undertakings that are not under supervision shall only be made on the Danish FSA's website.

(2) The undertaking shall publish a reaction, etc. as mentioned in subsection (1) as soon as possible and no later than three business days after the undertaking has received the reaction, etc., or at the latest at the time of publication required by the Danish Capital Markets Act.

(3) The undertaking shall publish a judgment or an acceptance of fine as mentioned in subsection (1) as soon as possible and no later than ten business days after a judgement has been delivered or a fine has been accepted, or no later than the time required for publication laid down in the Danish Capital Markets Act.

(4) At the same time as publication in accordance with subsections (1)-(3), the undertaking shall insert a link providing direct access to the judgement, the acceptance of fine or summary, made visible on the front page of the website of the undertaking, and the link and any attached text shall clearly state that this relates to a reaction from the Danish FSA, a judgement or an acceptance of fine. Removal of the information from the website of the undertaking shall be in compliance with the same principles as those used by the undertaking for other notifications, however, no sooner than when the link and information have been available on the website for three months, and at the earliest after the next general meeting or

meeting of the board of representatives.

(5) Any comments by the undertaking on the reaction, etc., the judgement, the acceptance of fine or summary shall be made further to this, and the comments shall be clearly separated from the judgement, the acceptance of fine or summary.

(6) The undertaking shall notify the Danish FSA about the publication pursuant to subsection (1) if a case has been passed on for police investigation and a conviction has been made in full or in part or a fine has been accepted, or if a case has been decided through adoption of an administrative fine notice and forward a copy of the judgement or acceptance of fine. The Danish FSA shall subsequently publish the judgement, acceptance of fine or a summary hereof on its website.

**Section 300** If an insurance undertaking has disclosed information about the insurance undertaking and if such information receives publicity, the Danish FSA may order the undertaking to publish the correct information within a time limit set by the Danish FSA if

- 1) the Danish FSA finds such information to be misleading, and
- 2) the Danish FSA considers that the information could cause damage to the clients of the undertaking, depositors, other creditors, the financial markets on which shares in the undertaking or securities issued by the undertaking are traded, or financial stability in general.

(2) If the undertaking fails to correct the information in compliance with the order by the Danish FSA and within the time limit set by the Danish FSA, the Danish FSA may publish the order issued pursuant to subsection (1).

#### *Authorisation*

**Section 301** The Minister for Industry, Business and Financial Affairs shall lay down more detailed regulations regarding the duty of insurance undertakings, financial holding undertakings and insurance holding undertakings to make public information about the Danish FSA's assessment of the undertaking, and that it shall be possible for the Danish FSA to publish this information before the undertaking.

#### Part 25

#### *Parties*

**Section 302** An insurance undertaking, insurance holding undertaking, foreign insurance undertaking or foreign insurance holding undertaking against which a decision has been made or will be made by the Danish FSA under this Act or regulations laid down in pursuance of this Act or regulations issued pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), cf. however, subsections (2) and (3), and Regulation 2019/2088/EU of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosures in the financial services sector and rules issued pursuant thereto and Regulation 2020/852/EU of the European Parliament and of the Council of June 18, 2020, on the establishment of a framework to promote sustainable investment and rules issued pursuant thereto shall be considered a party in relation to the Danish FSA.

(2) In the instances specified below persons other than the undertaking shall also be considered a party to the decision made by the Danish FSA as regards the parts of the case which concern said person:

- 1) The parent undertaking, where said parent undertaking is an insurance holding undertaking or an insurance undertaking.
- 2) Undertakings with which an insurance undertaking has special direct or indirect links, and where the supervisory authorities may collect information and carry out inspection visits, cf. Section 270(2).

- 3) Any person, natural or legal, about whom the Danish FSA requires information to determine whether said person falls within the scope of the provisions of this Act, cf. Section 270(3).
- 4) The intended acquirer or holder of a qualifying investment where the Danish FSA deals with cases on authorising acquisitions, cf. Sections 87, 90 and 91, as well as where the Danish FSA reacts as a result of omission to notify the Danish FSA about an investment or withdraws the voting rights associated with the relevant owner's investment, cf. Section 93(1)-(3).
- 5) An auditor of an insurance undertaking where the Danish FSA withdraws said auditor's certification pursuant to Section 193(5) or orders said auditor to provide information on the status and circumstances of the undertaking, as well as in cases concerning the prohibition against an auditor having business exposures, etc., to the insurance undertaking audited by said auditor, cf. Section 193(5)-(8) and (10).
- 6) Any undertaking applying for a licence to conduct insurance or life assurance business, cf. Section 14(1) and Sections 19-23, or if such an application is suspended, cf. Section 22.
- 7) A member of the board of directors or the board of management of an insurance undertaking or an owner of capital when the Danish FSA refuses to grant a licence or withdraws such licence in whole or in part, cf. Section 19(1), nos. 1 and 3, and Sections 20 and 199.
- 8) Undertakings which the Danish FSA finds have close connections to an insurance undertaking and therefore refuses or withdraws a licence in accordance with Section 19(1), nos. 4 and 5, and Section 199.
- 9) Any person who violates the prohibition laid down in this Act on employing in the name or characterisation of an undertaking the words that are covered by the exclusive right of insurance undertakings to names, cf. Section 37.
- 10) Any person contravening the prohibitions in this Act against carrying out activities covered by Section 14(1) without a licence.
- 11) The responsible actuary in cases where the actuary does not fulfil his duty to supply information to the Danish FSA, cf. Section 139(4), first sentence.

(3) A member of the board of directors, a responsible actuary, an auditor, a member of the board of management, or other senior employees of an insurance undertaking, an insurance holding undertaking, a foreign insurance undertaking or a foreign insurance holding undertaking shall also be considered a party where decisions made by the Danish FSA are aimed specifically at said person. This shall also apply to a liquidator and an administrator of a life assurance portfolio.

(4) Status as party and powers as party according to subsections (2) and (3) shall be limited to matters where the Danish FSA's decision was made after 8 October 1998. With regard to disclosure of confidential information, cf. Part 9 of this Act, status as a party and powers as party shall be limited to matters where the decisions of the Danish FSA were made after 1 January 2004.

(5) The Danish FSA may, when instituting proceedings regarding disclosure of confidential information, cf. Part 9 of this Act, grant certain powers as party to natural or legal persons other than those mentioned in subsections (2) and (3). The powers as party may only be granted for such part of the case as is of direct and material importance to the party concerned. The powers as party shall be granted having regard to the protection of confidential information about the undertakings that are subject to supervision. The powers as party shall be limited to circumstances where the decisions of the Danish FSA were made after 1 January 2004.

**Section 303** Both the affected insurance undertaking and the member of the board of directors, the member of the board of management or the key function holder to which the decision pertains shall be considered a party in regard to decisions made by the Danish FSA on fitness and propriety requirements.

The same shall apply to decisions made by the Danish FSA under Sections 106, 109 and 280.

(2) Furthermore, any party which the Danish FSA considers as party to the case shall be considered as party in relation to decisions made by the Danish FSA as part of the Authority's inspection of financial statements submitted according to the regulations of Part 17 of this Act and the regulations issued pursuant to Section 190, and of consolidated financial statements covered by Article 4 of the Regulation of the European Parliament and the Council on application of international accounting standards.

(3) Status as party and powers as party according to subsection (1) shall be limited to matters where the Danish FSA's decision was made after 1 July 2009.

## Part 26

### *Time limits*

**Section 304** The time limits fixed in or pursuant to this Act shall take effect from the day following the day when the event triggering the time limit occurred. This shall apply to the calculation of time limits involving days, weeks, months and years.

(2) Where the time limit is indicated in weeks, cf. subsection (1), said time limit shall expire on the day in the week when the event occasioning the time limit occurred.

(3) Where the time limit is indicated in months, cf. subsection (1), it shall expire on the day in the month when the event occasioning the time limit occurred. If the day when the event occasioning the time limit occurred is the last day of a month or if the time limit expires on a day of the month which does not exist, the time limit shall always expire on the last day of the month, irrespective of its length.

(4) Where the time limit is indicated in years, cf. subsection (1), said time limit shall expire on the day in the year when the event occasioning the time limit occurred.

(5) If a time limit expires during a weekend, on a holiday, 5 June, 24 December or on 31 December, the time limit shall be extended to the next weekday.

## Part 27

### *Communication*

#### *Written and digital communication*

**Section 305** The Minister of Industry, Business and Financial Affairs may lay down rules which require written communications to and from the FSA, the Minister for Industry, Business and Financial Affairs and the Danish Business Authority on matters covered by this Act or regulations issued pursuant to this Act to be digital.

(2) The Minister for Industry, Business and Financial Affairs may establish rules for digital communication, including the use of certain IT systems, particular digital formats and digital signature or the like.

#### *Digital messages*

**Section 306** A digital message shall be considered to have reached the recipient when it is available to the recipient of the message.

#### *Signature requirements*

**Section 307** Where this Act or regulations issued pursuant to this Act require a document issued by other parties than an authority, cf. Section 305(1), to be signed, this requirement may be met by the use of a technique which clearly identifies the person who has issued the document, cf. however subsection (2). Such documents shall be equivalent to documents with a personal signature.

(2) The Minister for Industry, Business and Financial Affairs may establish rules on dispensing with signature requirements. In connection with this, it may be decided that the personal signature requirement cannot be departed from for particular types of documents.

## X.

### Penalty, entry into force and transitional provisions, etc.

#### Part 28

##### *General enabling provisions*

**Section 308** If the Minister for Industry, Business and Financial Affairs delegates his or her authorities under this Act to the Danish FSA, the Minister may lay down regulations concerning the right of appeal, including regulations to the effect that appeals cannot be made to another administrative authority.

**Section 309** Decisions made by the Danish FSA or the Danish Business Authority may be brought before the Danish Company Appeals Board by the person against whom the decision is directed by no later than four weeks after the person concerned has been notified about the decision pursuant to:

- 1) This Act and regulations issued pursuant to this Act.
- 2) Regulations issued pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).
- 3) Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector and rules issued pursuant thereto.
- 4) Regulation 2020/852/EU of the European Parliament and of the Council of 18 June 2020 establishing a framework for the promotion of sustainable investment and rules issued pursuant thereto.

(2) If a decision made by the Danish FSA to the effect that an insurance undertaking shall enter into liquidation, or that its portfolio of life assurance contracts shall be taken under administration, is overruled, the Danish Business Authority shall immediately enter this fact in its register. If the undertaking owns real estate, the Danish FSA shall ensure the necessary registration of title.

(3) Joint decisions made by the Danish FSA, Finansiell Stabilitet, the competent authorities that are part of a College of Supervisors, or other authorities pursuant to this Act, may, notwithstanding subsection (1), not be brought before the Danish Company Appeals Board.

**Section 310** The Minister for Industry, Business and Financial Affairs may lay down regulations necessary for the application or implementation of decisions or legislative instruments adopted by the European Commission pursuant to:

- 1) Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).
- 2) Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
- 3) Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to promote sustainable investment.
- 4) Directive 2014/51/EU of the European Parliament and of the Council of April 16, 2014, amending Directives 2003/71/EC and 2009/138/EC.
- 5) Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 and Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 in respect of the powers of the European Supervisory Authority (European Insurance and

Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority).

- 6) Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014, on markets in financial instruments.
- 7) Regulation (EU) No 600/2014 of the European Parliament and of the Council of May 15, 2014, on markets in financial instruments.
- 8) Regulation 2019/1238/EU of the European Parliament and of the Council of June 20, 2019, on a pan-European personal pension product (PEPP).

## Part 29

### *Fees*

**Section 311** Undertakings that are under supervision pursuant to this Act shall pay a fee to the Danish FSA in accordance with Part 22 of the Danish Financial Business Act.

## Part 30

### *Penalty provisions*

#### *Provisions subject to penalties under this Act*

**Section 312** Violations of the following provisions shall be liable to a fine unless more severe penalty is incurred under other legislation:

- 1) Section 32(3), Section 33, Section 34(1), Section 61(1), no. 7, Section 85(1), Section 86, Section 95(1)-(5), Section 100(1), no. 1 and 2, Section 105(6), Sections 107 and 108, Section 110(1), first sentence, and 110(2), Section 111(1) and (2), Sections 112-116 and 121, Section 122(1), first sentence, and 122(2), Section 124, Section 126(1-7), Section 127(1), (2) and (4)-(6), Section 132(1), Section 133(1), Section 134(2) and (3), Section 135(1), Section 136(1), Section 137(1), Section 139(1)-(4), Section 140(1), Section 141(1) and (2), Sections 142-144, Section 145(1) and (2), Section 146(1)-(6), Section 147, Section 151(1) and (3)-(6), Section 153(1), second sentence, and 153(4), second sentence, Section 154(5), Section 155(4) and (6), Section 164(1) and (2), Section 166(1), (2), (4) and (9), Section 180(2), Section 181(1), Section 182(1), (3) and (4), Section 183, Section 184(1)-(3), Section 185(1), cf. Section 181(2), Section 185(2), first sentence, Section 186, cf. Section 181(2), Section 187, first sentence, Section 192(1), Section 193(3), first sentence, and 193(7), Section 204(1)-(4), Section 219(1), (2) and 4), Section 273(3) and (6), Section 274(2), Section 299(1), first sentence, Section 299(2)-(5) and 299(6), first sentence, Section 331(4), Section 332(5) and Section 333(3).
- 2) Article 4 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and Article 4(1) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies and Article 5(1), Articles 6 and 7, Article 8(1)-(3), Article 9, Article 10(1), Article 13(1),(3) and 4) and Articles 14 and 19 of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs).
  - (2) Violations of the following provisions shall be liable to a fine or imprisonment for up to four months unless more severe penalty is incurred under other legislation:
    - 1) Section 14(1), Section 37, second sentence, Section 38(1)-(4), Section 47, second sentence, Section 54(1) and (2), Section 61(1), (5) and 6), Section 62, first sentence, Section 63(1), Sections 64 and 82, Section 84(1), second sentence, and Section 84(2), Section 87(1), Sections 91 and 92, Section 94(1), (2) and (4), Section 96(1), Section 97(1)-(4), Section 98(1) and (2), Section 99, Section 101(1), Section 105(5), cf. subsection (1), no. 3 and 4, Section 105(3), Section 106, Section 117(1) and (5), Sections 118-120,

Section 127(3), cf. Section 105(5), cf. subsection (1), no. 3 and 4, Section 138, Section 154(1)-(3), Section 155(1), Section 156(1) and (4), Section 158(1), Section 159(1), Section 160(1), Section 165(1), Section 173(1) and (2), Section 188, Section 189(1) and (2), Section 194, Section 195(1), Section 200(1), Section 223(1) and (4), Section 224(1), Section 225(1), Section 258(1), Section 269(2) and Section 333(1), (2) and (4).

- 2) Articles 6, 7, 9, 18-26 and 26(b) to 26(e), Article 27(1 & 4) and Article 28(2) of Regulation 2017/2402/EU of the European Parliament and of the Council of 12 December 2017 on a general framework for securitization and establishing a specific framework for simple, transparent and standardized securitization.
- 3) Articles 5-7, 18-30, 33-42, 44-46, 48, 50 and 52-56 of Regulation (EU) 2019/1238 of the European Parliament and of the Council of June 20, 2019, on a pan-European personal pension product.

**Section 313** An insurance undertaking or an insurance holding undertaking which fails to comply with an order issued pursuant to Section 46(2), Section 59, Section 154(4), Section 159, Section 273(1), first sentence, Section 274(1), Section 275(2) or Section 277(1) or which violates Section 112(1) of the Danish Companies Act shall be liable to a fine.

(2) Any person who fails to comply with an order issued pursuant to Section 280(2) and (4), third sentence, shall be liable to a fine.

(3) Furthermore, any person who violates a prohibition or a limitation or restriction issued pursuant to Article 16 or 17 of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 15 May 2014 on key information documents on packaged retail and insurance-based investment products (PRIIPs) or Articles 40-42 of Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments shall be liable to a fine unless more severe penalty is incurred under other legislation.

(4) An insurance undertaking or an insurance holding undertaking which have issued securities admitted to trading on a regulated market and which fails to comply with an order from the Danish FSA pursuant to Section 280 shall be liable to a fine.

#### *Special criminal offenses, including for natural persons*

**Section 314** A member of the board of directors or the board of management of an insurance undertaking or an insurance holding undertaking who omits to take the steps necessary in the event of losses or imminent danger of material losses shall be liable to a fine or imprisonment for up to two years unless a more severe penalty is incurred under other legislation.

(2) Undertakings and persons who are connected to an insurance undertaking or an insurance holding undertaking and who are guilty of gross or repeated negligence or carelessness which may entail losses for the undertaking or its depositors, the insured parties, bond owners or other investors in the insurance undertaking shall be liable to a fine or imprisonment for up to two years unless a more severe penalty is incurred under other legislation.

#### *Penalty for providing false information*

**Section 315** Undertakings and persons who are connected to an insurance undertaking or an insurance holding undertaking and who provide false or misleading information on matters relating to the undertaking to public authorities, to the public, to a corporate body or to depositors, the insured or bondholders or other investors in the undertaking shall be liable to a fine or imprisonment for up to two years unless a more severe penalty is incurred under other legislation.

### *General provisions on penalties*

**Section 316** Regulations on penalties of fines or imprisonment for up to four months may be laid down for violations of provisions issued pursuant to this Act and of rules issued pursuant to Regulation (EU) 2015/35 of the European Parliament and of the Council supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II).

(2) The Danish FSA may lay down regulations on penalties of fines for violation of provisions included in the Regulations of the European Union adopted by the European Commission pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014 amending Directives 2003/71/EC and 2009/138/EC and the European Parliament and of the Council of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 and Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 when it concerns the powers of the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority).

**Section 317** In setting fines, the gravity of the violation and the economic circumstances of the offender shall be taken into account. For violations committed by legal persons, the annual net turnover of the insurance undertaking or insurance holding undertaking at the time of the offence shall be taken into account. For violations committed by natural persons, the annual income of the person shall be taken into account.

(2) A higher fine shall be fixed for violations that involve

- 1) a risk to the continued operation of an insurance undertaking,
- 2) operation of an insurance undertaking without a legal licence, or
- 3) severe or repeated disregard of the reporting obligations of undertakings in respect of the Danish FSA under aggravating circumstances.

(3) If a violation has resulted in an economic advantage, this economic advantage shall be confiscated under the rules in Part 9 of the Criminal Code. If confiscation is not feasible, this shall be taken into consideration when determining the amount of a fine.

**Section 318** If a member of the board of directors or the management board of an insurance undertaking or an insurance holding undertaking or an employee who is part of the actual management on a daily basis is guilty of gross or repeated mismanagement that causes a loss or risk of loss to the undertaking, the insured parties or investors in the insurance undertaking, said person shall be liable to a fine or imprisonment for up to two years unless a more severe penalty is incurred under Section 290(b)(1) of the Danish Criminal Code or other legislation. The same shall apply if the mismanagement leads to a significantly increased risk of the insurance undertaking being exposed to or used for criminal purposes.

(2) Persons connected to an insurance undertaking without being members of the board of directors or the board of management or without being part of the actual management on a daily basis who are guilty of gross or repeated negligence or carelessness which may entail losses for the insurance undertaking, the insured parties or the investors in the insurance undertaking shall be liable to a fine or imprisonment for up to two years unless a more severe penalty is incurred under other legislation. The same shall apply to employees with responsibility for a key function if the negligence or carelessness results in a significantly increased risk of the insurance undertaking being exposed to or used for criminal purposes.

(3) Insurance undertakings and persons who are connected to insurance undertakings and who provide false or misleading information on matters relating to the insurance undertaking to public authorities, to the public, to a corporate body or to insured parties or to investors in the insurance undertaking shall be liable to a fine or imprisonment for up to two years unless a more severe penalty is incurred under Section 290b(1) of the Danish Criminal Code or other legislation.

**Section 319** Undertakings, etc. (legal persons) may incur criminal liability according to the rules in Part 5 of the Danish Criminal Code.

(2) The period of limitation for violations of the provisions in this Act, regulations where rules on criminal liability are laid down in this Act or regulations issued pursuant to this Act shall be five years, cf. however, subsection (3).

(3) The period of limitation for violations of the provisions in Section 14(1), Section 95(1)-(4), Section 117(1) and (5), Sections 118-120, 132 and 138, Section 139(1)-(3) and 139(4), first sentence, Section 153(1), second sentence, and 153(4), second sentence, Section 154(1) and (5), Section 155(1), Section 156(1), Section 158(1), Section 159(1), Section 173(1) and (2), Section 180(2), Sections 183 and 184, Section 185(1) and 185(2), first sentence, Section 187, first sentence, Section 193(3) and (7), Section 219(1), (3) and (5), Section 223(1) and (4), Section 224(1), Section 225(1), Section 269(2), Section 273(3) and (6), Section 332(5) or Article 6(1), Article 10(1), Article 14(1) and Article 19 in Regulation No 1286/2014/EU of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) shall be ten years.

#### *Fine notice*

**Section 320** The Minister for Industry, Business and Financial Affairs may, after negotiation with the Minister of Justice, lay down regulations stipulating that the Danish FSA in specified cases on violations of this Act, which are not deemed to entail higher penalty than a fine, in notifications of fines may state that the case may be decided without court proceedings, if the offender declares himself or herself guilty of the offence and ready to pay a fine as stated in the notification of fines within a specified time limit.

(2) The provisions laid down in the Danish Administration of Justice Act on requirements concerning the content of indictments and on the right of the accused to remain silent, shall apply correspondingly to notifications of fines.

(3) Further prosecution shall be discontinued on acceptance of a fine.

### Part 31

#### *Entry into force, etc.*

#### *Entry into force*

**Section 321** This Act shall enter into force on 1 January 2024.

**Section 322** Regulations issued pursuant to Section 1(3) second sentence, Section 6, Section 13(6), Section 18(1 & 3), Section 19(2), Section 20(3), Section 21(6), Sections 37 and 42, Section 43(2, 3, 7 & 9), Section 56, Section 60(4), Section 60(a)(2), Section 61(9), Section 64(b)(4), Section 65(2), Section 70(6), Section 71(2), Section 72(b)(6), Section 77(i), Section 108(6), Section 126(b)(5), Section 126(c)(6), Section 126(e)(5 & 6), Section 126(g)(2), Section 128(2 & 3), Section 128(a), Section 143(1) no . 1-3, Section 167(6), Section 175(b)(10), Section 181(1), Section 183(6), Section 188(3), Section 192 second sentence, Section 195(3), Section 196, Section 199(12 & 13), Sections 205 and 242, Section 248(2), Section 248(a)(5), Section 248(b)(3), Section 283(3), Sections 347(a), 371 and 372(a), Section 373(4, 5 & 13),

Section 373(a)(1) and Section 417(b)(6) in the Danish Financial Business Act shall remain in force until they shall be repealed or replaced by new rules issued pursuant to Section 3, Section 20(2), Section 27(3), Section 29(3), Section 30(7), Section 40(4), Sections 60 and 66, Section 67(2-4), Section 70(2), Section 74(4), Section 77(2), Section 87(2), Section 95(6), Section 96(2), Section 109(5), Section 132(2), Section 134(6), Section 139(5), Section 152, Section 153(5), Section 154(6), Section 155(7), Section 157(2), Section 158(4 & 5), Section 160(2), Section 161, Section 162 no. 1-3, Section 164(3), Section 166(10), Section 172(1), Section 185(3), Section 189(3), Section 190, Section 193(13 & 14), Sections 196 and 218, Section 219(6), Section 223(5), Section 224(3), Section 225(2), Sections 301, 305 and 308, Section 320(1) and Section 332(6).

#### *Transitional provisions*

**Section 323** For employees who, before January 1, 2016, held a position in a group 1 insurance undertaking, which means that the employee shall be identified as a key function holder pursuant to Section 127(1), Section 105(1) and (2) shall only apply to matters that have occurred on or after January 1, 2016.

**Section 324** For members of the board of directors who have joined the board of directors of an insurance undertaking before January 1, 2017, Section 109 shall not apply.

**Section 325** Guidelines agreed upon pursuant to Section 29 of the Danish Marketing Practices Act before January 1, 2004, shall continue to apply to insurance undertakings until they are repealed or replaced by rules issued by the Minister for Industry, Business and Financial Affairs pursuant to Section 43(2) of the Danish Financial Business Act or Section 67(2) of this Act.

**Section 326** Sections 148, 149(2)-(5) and Section 150 shall apply to severance agreements for a member of the board of management of an insurance undertaking or an insurance holding undertaking which have not yet been actualised at the time of entry into force of this Act, cf. Section 321.

(2) Section 149(1) shall apply to severance agreements for a member of the board of management of an insurance undertaking or an insurance holding undertaking concluded, extended or renewed after the entry into force of this Act.

(3) Section 145 shall only apply to agreements concluded, renegotiated, extended or renewed after the entry into force of this Act.

**Section 327** Insurance undertakings that did not have a fully paid-up share capital on 1 October 1981 may maintain this arrangement.

(2) In insurance undertakings covered by subsection (1), a shareholder or guarantor shall not be liable for payment of shares or guarantee interests of an amount totalling more than 5% of the share or guarantee capital or for amounts larger than DKK 50,000, unless collateral approved by the Danish FSA is provided for amounts in excess thereof.

(3) The Danish FSA may grant exemption from the regulation set out in subsection (2).

(4) In insurance undertakings covered by subsection (1), a share or guarantee interest that is not fully paid up may only be transferred with the approval of the board of directors. Such approval shall not be granted unless it is deemed that the transferee will be able to make the future payments or unless adequate collateral is provided. Where adequate collateral is provided, approval may not be denied unless the desired transfer is in contravention of other valid regulations restricting the transferability of the shares or guarantee interests.

(5) When the board of directors has approved the transfer and the transferee has issued a promissory note for the amount that has not been paid up, the obligations of the transferor shall cease.

(6) If a shareholder or guarantor in insurance undertakings covered by subsection (1) does not make a payment payable by said person when due, said shareholder or guarantor shall, unless otherwise provided by the articles of association, pay annual interest, from the due date, on the amount due and payable at a rate as defined by Section 5(1) and (2) of the Act on interest on late payment, etc. (lov om renter ved forsinket betaling m.v.).

(7) If payment in accordance with subsection (6) is not made within the proper time, the undertaking shall, without undue delay, seek to obtain payment of the amount due either by legal action or, where possible, after four weeks' notice to the shareholder or guarantor, by seeking to sell the share or guarantee interest for the account of the shareholder or guarantor with an obligation on the part of the transferee to pay up the amounts outstanding together with accrued interest. The sale shall be made through a stockbroking undertaking, a credit institution with a special licence, a bank or by public auction. If the sale involves the issue of a new share certificate or interim certificate, said share certificate or interim certificate shall, in addition to stating its purpose, reproduce the contents of the old share certificate or interim certificate, and shall be signed by the board of directors. Interim certificates may, however, be signed by a person authorised by the board of directors.

(8) If it proves impossible to collect the amount due in any of the ways indicated, the share or guarantee interest shall be annulled, and the capital shall then be deemed to be reduced by an amount equal to the nominal value of the share or guarantee interest. The amount paid up shall be transferred to a fund that may not be reduced without the consent of the Danish FSA.

(9) Notice of the capital reduction shall be sent to the Danish Business Authority. Moreover, proof that the conditions for annulment of the share or guarantee interest have been fulfilled shall be submitted to the Danish FSA.

**Section 328** Exposures and collateralisations entered into legally before 1 January 1998 between the elected external auditors, a chief internal auditor or deputy chief internal auditor, employees of ATP (Arbejdsmarkedets Tillægspension) or LD (Lønmodtagernes Dyrtidsfond) on the one hand, and the insurance undertaking, bank, mortgage-credit institution, securities dealer, investment firm or ATP (Arbejdsmarkedets Tillægspension) where the relevant person is employed on the other hand, may continue until the originally agreed expiry date.

(2) Chief internal auditors or deputy chief internal auditors may, notwithstanding the prohibition in Section 116, maintain and utilise financial interests owned by said chief internal auditors or deputy chief internal auditors at the entry into force of this Act.

**Section 329** Persons who on 1 January 2004 were not covered by the prohibition in section 19(1) of the Danish Financial Business Act, cf. Consolidation Act no. 660 of August 7, 2002, may, notwithstanding the provisions of Section 113 of this Act and Sections 425, no. 15, and 426, no. 9, of the Danish Financial Business Act maintain positions taken out before 1 January 2004.

**Section 330** Persons covered by Section 121 who on 1 July 2001 had duties in pursuance of Section 24 of the Danish Financial Business Act, cf. Consolidation Act no. 660 of August 7, 2002, may, without the consent of the board of directors, continue with such duties provided that the relevant duties are notified to the Danish FSA no later than 30 June 2004. If, as of 1 January 2004 the insurance undertaking has exposures to the undertaking for which said duties are performed, the exposure assumed as of 1 January 2004 may continue until the originally agreed expiry date, irrespective of Section 123(1).

(2) Persons covered by Section 122(1) who, on the date of entry into force of this Act, had duties in pursuance of Section 24 of the Danish Financial Business Act, cf. Consolidation Act no. 660 of August 7, 2002, or who, on the date of entry into force of this Act, were not covered by Section 24 of the Danish Financial Business Act, cf. Consolidation Act no. 660 of August 7, 2002, may, without the consent of the

board of management, continue with such duties provided the relevant duties are notified to the Danish FSA no later than 30 June 2004. If, as of 1 January 2004 the insurance undertaking has exposures to the undertaking for which said duties are performed, the exposure assumed as of 1 January 2004 may continue until the originally agreed expiry date, irrespective of section 123(1).

(3) For undertakings in which persons covered by section Sections 121 and 122(1), on the date of entry into force of this Act, had duties in pursuance of Sections 28, 29, 34 and 35 of the Danish Financial Business Act, cf. Consolidation Act no. 660 of August 7, 2002, and with which the insurance undertaking had exposures as of 1 January 2004, such exposures as of 1 January 2004 may continue until the originally agreed expiry date, irrespective of Section 123(1).

(4) Subsections (1)-(3) shall apply correspondingly to persons covered by Sections 425, no. 5, and 426, no. 11, of the Danish Financial Business Act.

**Section 331** A group 1 insurance undertaking that does not use a match adaptation for the risk-free interest rate term structure under Section 158(2) for the insurance liabilities may be licensed by the Danish FSA to use an adjusted interest rate term structure calculated in accordance with subsection (2) until 1 January 2032 for insurance liabilities in accordance with agreements entered into before 1 January 2016 and agreements renewed after 31 December 2015. Group 1 insurance undertakings that have been licensed under the first sentence may not obtain a licence under section 332.

(2) The adjusted interest rate term structure is calculated separately for each currency at the end of each year as a share of the difference between the interest set according to the discount interest term structure as of 31 December 2015 and the annual effective interest rate set according to the risk-free interest rate term structure, cf. Section 158(1) and (3). This share is calculated as a linear drop from 100% to 0% for the period from 1 January 2016 to 1 January 2032.

(3) The Danish FSA may set an additional capital requirement in accordance with Section 278, if the Danish FSA judges that the risk profile of a group 1 insurance undertaking that is using the adjusted interest rate term structure deviates substantially from the conditions on which said use is based.

(4) Group 1 insurance undertakings which have been licensed under subsection (1) shall, in the report on the undertaking's solvency and financial situation that they have a duty to publish, cf. Section 164, state that the undertaking is using an adjusted interest rate term structure, and specify the amount-related impact of not using this adjusted interest rate term structure on the size of the technical provisions, the solvency capital requirement, the minimum capital requirement, the basic own funds, the own funds that may be used to cover the solvency capital requirement, and the basic own funds that may be used to cover the minimum capital requirement.

**Section 332** A group 1 insurance undertaking may be licensed by the Danish FSA to use a deduction in the technical provisions calculated under subsection (2) until 1 January 2032. Group 1 insurance undertakings that have been licensed under the first sentence may not obtain a licence under Section 331.

(2) The deduction is calculated as a share, which is calculated as a linear drop from 100% to 0% in the period from 1 January 2016 to 1 January 2032, of the difference between

- 1) the technical provisions after deduction of amounts that may need to be repaid in accordance with reinsurance agreements and calculated in compliance with rules issued pursuant to Section 158(5), in regard to the valuation by group 1 insurance undertakings of assets and liabilities, including technical provisions on 1 January 2016, and
- 2) the technical provisions for solvency purposes after deduction of amounts that may need to be repaid under reinsurance agreements and agreements with ISPVs in accordance with the Executive Order on financial reports for insurance undertakings and multi-employer occupational pension funds on 31 December 2015.

(3) The deduction shall be calculated once for the entire period from 1 January 2016 to 1 January 2032. However, the Danish FSA may order or licence a group 1 insurance undertaking whose risk profile changes substantially in the period from 1 January 2016 to 1 January 2032 to calculate the technical provisions under subsection (2), including the volatility adjustment, cf. Section 158(3), every two years or more frequently.

(4) The Danish FSA may limit the deduction calculated under subsection (2) if the use of said deduction results in the solvency capital requirement, cf. Section 154, being less than the largest total of the amounts specified in nos. 1-5, below, and the largest amount relevant to the undertaking in nos. 6-9:

- 1) 4% of the risk-weighted items for life assurance provisions plus 0.3% of the risk-weighted items for the risk sum for life assurance business in insurance classes I-IV and VI, cf. Annex 2, where the undertaking has an investment risk.
- 2) 1% of the risk-weighted items for life assurance provisions plus 0.3% of the risk-weighted items for the risk sum for life assurance business in insurance class V, cf. Annex 2, and in insurance class III, cf. Annex 2, where the undertaking does not have an investment risk, and where the amount intended to cover the operating costs set in the insurance contract shall be determined for a period of more than five years.
- 3) 25% of the previous year's insurance-related administration costs plus 0.3% of the risk-weighted items for the risk sum for life assurance business in insurance class III, where the undertaking does not have an investment risk, and where the amount intended to cover the operating costs set in the insurance contract shall not be determined for a period of more than five years.
- 4) The largest amount in a non-life insurance undertaking of
  - a) 18% of the risk-weighted items for the maximum of gross premiums and gross premium income up to EUR 61.3m plus 16% of amounts exceeding this figure, and
  - b) the annual average of 26% of the risk-weighted items for the gross costs of claims for amounts up to EUR 42.9m and 23% of amounts exceeding this figure in the last 3 financial years.
- 5) EUR 4m for insurance undertakings carrying out life insurance activities.
- 6) EUR 2.7m for insurance undertakings carrying out activities within insurance classes 1-9 and 16-18, cf. Annex 1.
- 7) EUR 4m for insurance undertakings carrying out activities within insurance classes 10-15, cf. Annex 1.
- 8) EUR 3.9m for insurance undertakings carrying out reinsurance activities.
- 9) EUR 1.3m for captive reinsurance undertakings.

(5) Group 1 insurance undertakings which have been licensed under subsection (1) shall, in the report on the undertaking's solvency and financial situation that they have a duty to publish, cf. Section 143, state that the undertaking is using the deduction and specify the amount-related impact of not using this deduction on the size of the technical provisions, the solvency capital requirement, the minimum capital requirement, the basic own funds, the own funds that may be used to cover the solvency capital requirement, and the basic own funds that may be used to cover the minimum capital requirement.

(6) The Danish FSA may lay down more detailed regulations for calculation of the risk-weighted items under subsection (4), nos. 1-3 and 5.

**Section 333** A group 1 insurance undertaking that is using the adjusted interest rate term structure under Section 331 or the deduction under Section 322 shall immediately inform the Danish FSA if the undertaking would not meet the solvency capital requirement calculated under Section 154 if the undertaking did not use the adjusted interest rate term structure or the deduction.

(2) No later than two months after establishing that the solvency capital requirement cannot be met without using the adjusted interest rate term structure or the deduction, the group 1 insurance undertaking shall submit a report to the Danish FSA containing the measures planned in order to ensure compliance with the solvency capital requirement on 1 January 2032. If the undertaking changes the planned measures during the transitional period under the first sentence, the undertaking shall immediately inform the Danish FSA of the changes.

(3) Each year at the end of the first quarter, the group 1 insurance undertaking shall send a report to the Danish FSA specifying the measures taken to date and progress towards ensuring compliance with the solvency capital requirement on 1 January 2032.

(4) On 1 January 2032, the group 1 insurance undertaking shall comply with the solvency capital requirement, cf. Section 154, without using the adjusted interest rate term structure under Section 331, or the deduction under Section 322.

(5) The Danish FSA shall withdraw the licence under Section 331 or Section 322 if, based on the report under subsection (3), the Danish FSA judges that it is unlikely that the group 1 insurance undertaking will be able to comply with the solvency capital requirement on 1 January 2032.

**Section 334** The requirements in Articles 254–257 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) shall apply exclusively to investments in securitisation positions issued before 1 January 2011, if the underlying exposure is changed after 31 December 2014.

## Part 32

### *Amendments to other legislation*

#### *Consequential changes in other legislation*

**Section 335** In the Danish Financial Business Act, cf. Consolidation Act No. 406 of March 29, 2022, as amended by Section 1 of Act no. 2383 of December 14, 2021, Section 13 of Act no. 2601 of December 28, 2021, Section 5 of Act no. 568 of May 10, 2022, Section 1 of Act no. 570 of May 10, 2022, Section 37 of Act no. 871 of June 21, 2022, Section 7 of Act no. 243 of 7 March 2023 and Section 1 of Act no. 409 of April 25, 2023 and most recently by Section 3 of Act no. 480 of May 12, 2023, the following amendments shall be made:

1. In *Section 1, subsection (1)*, “subsections (2)-(12) and (16)” shall be changed to: “subsections (2)-(11) and (15)”.
2. In *Section 1(2), first sentence*, “and insurance holding undertakings” shall be deleted and “Section 350(4)” shall be changed to “Section 350(3)”.
3. *Section 1(2), third sentence*, shall be repealed.
4. In *Section 1(3), first sentence*, “credit institutions, management undertakings and insurance undertakings” shall be changed to: “credit institutions and management undertakings”.
5. In *Section 1(4), first and third sentences, Section 14(2), first and third sentences, Section 14(4), Section 30(1), first sentence, Section 31(1), first sentence, Section 344(3), second and third sentences, and Section 354(b)(2)*, “Sections 7-11” shall be changed to “Sections 7-10(a)”.
6. In *Section 1(4), first sentence*, “34-36,” shall be deleted, and “50-60” shall be changed to: “50-54”.

7. In *Section 1(5), first sentence*, “credit institutions, management undertakings and insurance undertakings” shall be changed to: “credit institutions and management undertakings”, “36” shall be deleted, and “46-60” shall be changed to: “46-54”.
8. *Section 1(12)* shall be repealed.  
Subsections (13)-(18) shall then become subsections (12)-(17).
9. In *Section 1, subsection 14*, which shall become subsection (13), “Section 108(2) and (3), Section 115” shall be deleted, and “209, 247 and 299” shall be changed to: “209 and 247”.
10. In *Section 1, subsection (16)*, which shall become subsection (15), “, 110” and “Section 289(1), Section 299,” shall be deleted.
11. In *Section 1, subsection (17)*, which shall become subsection (16), “Section 5(1), nos. 28 and 29” shall be changed to: “Section 5(1) nos. 22 and 23”.
12. *Sections 2(-4)* shall be repealed.
13. *Section 5(1), no. 1, point (d)* shall be repealed.
14. *Section 5(1), no. 9, point (a)* shall be worded as follows:  
“(a) A parent undertaking, which is not a financial undertaking, of a group where no less than one of the subsidiary undertakings of said group is a financial undertaking, and where no less than 40% of the balance sheet total of the group and the parent undertaking's associated undertakings pertains to the financial sector, cf. however, subsection (7)”.
15. *Section 5(1), no. 9, point (b), fourth sentence* shall be repealed.
16. *Section 5(1), no. 12 and 13* shall be repealed.  
Nos. 14-20 shall then become no. 12-18.
17. In *Section 5(1), no. 19*, which shall become no. 17, “credit institution, management undertaking or insurance undertaking” shall be replaced by: “credit institution or management undertaking”.
18. *Section 5(1), nos. 21-24* shall be repealed.  
Nos. 25-45 shall then become nos. 19-39.
19. In *Section 5(1), no. 25*, which shall become no. 19, the second sentence shall be repealed.
20. In *Section 5(1), no. 33*, which shall become no. 27, “34” shall be changed to “28”, “38” shall in two places be changed to: “32”, and “41” shall be changed to “35”, and “43” shall be changed to “37”.
21. *Section 5(1), nos. 46-50* shall be repealed.  
Nos. 51-58 shall then become nos. 40-47.
22. *Section 5(1), nos. 59-64* shall be repealed.  
Nos. 65-77 shall then become nos. 48-60.
23. In *Section 5(3)*, “the financial undertaking, the financial holding undertaking or insurance holding undertaking” shall be changed to: “the financial undertaking or the financial holding undertaking”.
24. *Section 5(6), no. 2* shall be repealed.  
Nos. 3 and 4 shall then become nos. 2 and 3.

25. In *Section 5(6), no. 3*, which shall become no. 2, “Section 126(1) and (4)” shall be deleted, and in no. 4, which shall become no. 3, “Sections 124, 126(a) and 126(d)” shall become: “Sections 124 and 126(a)”.
26. *Section 5(6), no. 5 and 6* shall be repealed.  
No. 7 shall then become no. 4.
27. In *Section 5(6), no. 7*, which shall become no. 4, “Section 126(b)(1)” and “Section 126(b)(5) and” shall be deleted.
28. In *Section 5(6), no. 7*, which shall become no. 4, and in *no. 15*, which shall become no. 9, “Section 128(3) and (4)” shall be changed to “Section 128(1) and (2)”.
29. *Section 5(6), no. 8 and 9* shall be repealed.  
Nos. 10-13 shall then become nos. 5-8.
30. In *Section 5(6), no. 11*, which shall become no. 6, “Section 128(2)-(4)” shall be changed to: “Section 128(1) and (2)”.
31. In *Section 5(6), no. 10*, which shall become no. 5, and in no. 13, which shall become no. 8, “subsection (3) and subsection (4)” shall be changed to “subsection (1) and subsection 2”.
32. In *Section 5(6), no. 12*, which shall become no. 7, “subsection 2-4” shall become “subsection (1) and (2)”.
33. *Section 5(6), no. 14* shall be repealed.  
No. 15 shall then become no. 9.
34. *Section 5(6), no. 16 and 17* shall be repealed.  
No. 18 shall then become no. 10.
35. In *Section 5(9), 175(a)(1) and 175(g)(14)*, “no. 16” shall be changed to “no. 14”.
36. *The title* before Section 7 shall be worded as follows:  

*“Licences for banks, mortgage-credit institutions and investment management undertakings.”*
37. *Section 11* shall be repealed.
38. *Section 12(1-(4) and (5))* shall be repealed.
39. In *Section 13(2)*, “Financial holding undertakings and insurance undertakings” shall be changed to: “Financial holding undertakings”.
40. In *Section 14(1), no. 1*, “Sections 7, 8, 10 or 11” shall be changed to: “Sections 7, 8 or 10”.
41. In *Section 14(1), no. 3*, “and in group 1 insurance undertakings” and “or Section 64(d)(1)” shall be deleted.
42. In *Section 14(1), no. 5 and Section 181(1), no. 2*, “no. 17” shall be changed to “no. 15”.
43. *Section 14(1), no. 8* shall be repealed.  
Nos. 9-10 shall then become nos. 8-9.
44. In *Section 14(1), no. 10*, which shall become no. 9, “or Sections 18-21 and subsection (2), first sentence” shall be deleted.
45. *Section 14(6), second sentence* shall be repealed.

46. *The title* before Section 18 shall be repealed.
47. *Sections 18-22* shall be repealed.
48. *The title* before Section 23 shall be repealed.
49. Section 23 and 23(a) shall be repealed.
50. In *Section 26(1)*, “11” shall be deleted and in *no. 2*, “or, regarding insurance undertakings, in joint organisation of administration with the insurance undertaking” shall be deleted.
51. *The title* before Section 29 shall be repealed.
52. *Sections 29-29(b)* shall be repealed.
53. In *Section 30(1)*, *second sentence*, “Annex 2, 3, 7 and 8” shall be changed to: “Annex 2 and 3”.
54. In *Section 30(4)*, *no. 4* “or for the general agent, cf. Section 35” shall be deleted.
55. *Section 30(8)* and (9) shall be repealed.  
Subsections (10) and (11) shall then become subsections (8) and (9).
56. In *Section 30(10)*, *first sentence*, which shall become subsection (8), first sentence, “subsections (5)-(9)” shall be changed to: “subsections (5)-(7)”.
57. In *Section 31(1)*, *second sentence*, “Annex 2, 3, 7 and 8” shall be changed to “Annex 2 and 3” and the third sentence shall be repealed.
58. *Section 31(5)-(10)* shall be repealed.
59. *The title* before Section 34 shall be repealed.
60. *Sections 34-37(a)* shall be repealed.
61. *Section 38(1)*, *no. 5* shall be repealed.  
No. 6 shall then become no. 5.
62. In *Section 38(3)*, *second sentence*, “and for insurance undertakings solvency certificate” shall be deleted.
63. *Section 38(9)* shall be repealed.
64. *Section 38(a)* shall be repealed.
65. *Section 39(1)*, *second sentence* shall be repealed.
66. *Section 39(2)* shall be worded as follows:  
“(2) The Danish FSA shall forward the notification referred to in subsection (1) and a declaration that the planned activities are covered by the licence of the undertaking to the supervisory authorities of the host country no later than one month after receipt of the notification referred to in subsection (1). If the Danish FSA does not send the notification or declaration referred to in the first sentence within the time limit, the Danish FSA shall inform the undertaking of the reasons for this. If the undertaking is a bank or a mortgage-credit institution, the Danish FSA shall also notify the supervisory authorities of the host country of the identity of the connected agents that the undertaking intends to use. If the undertaking is an investment management undertaking, the Danish FSA shall also forward information of the investor and depositor guarantee scheme.”

67. *Section 39(3), third sentence* shall be repealed.
68. *Section 39(5)* shall be repealed.  
Subsections (6)-(8) shall then become subsections (5)-(7).
69. In *Section 39(7)*, which shall become subsection (6), “subsection (6)” shall be changed to “subsection (5)”.
70. *Section 39(8)*, which shall become subsection (7), shall be repealed.
71. In *Section 40(1), first sentence*, “credit institution, an investment undertaking or an insurance undertaking” shall be changed to: “credit institution or an investment undertaking”.
72. *The title* before Section 41 shall be repealed.
73. *Sections 41 and 42* shall be repealed.
74. In *Section 43(1), Section 183(1) and (4), Section 198(1) and Section 199(1), first sentence*, “Financial undertakings, financial holding undertakings and insurance holding undertakings” shall be changed to: “Financial undertakings and financial holding undertakings”.
75. *Section 43(7)* shall be repealed.  
Subsections (8) and (9) shall then become subsections (7) and (8).
76. *Section 43, subsection (9)*, which shall become subsection (8), shall be repealed.
77. In *the title* before Section 45, “banks, mortgage-credit institutions and insurance undertakings” shall be changed to: “banks and mortgage-credit institutions”.
78. In *Section 45*, “Additional Tier 1 capital, cf. Section 128(2), or” shall be deleted.
79. In *Section 46(1)*, “bank, mortgage-credit institution or insurance undertaking” shall be changed to: “bank or mortgage-credit institution”.
80. *The title* before Section 55 shall be repealed.
81. *Sections 55-60(a)* shall be repealed.
82. *The title* before Section 60(b) shall be repealed.
83. *Sections 60(b)-60(e)* shall be repealed.
84. In *Section 61(1), first sentence, Section 61(b)(1), Section 61(c)(1), Section 62(1), Section 120(1), Section 199(2), second sentence, Section 346(2), first sentence, Section 347(b)(1), first sentence, Section 347(c)(1), first sentence, Section 373(3), first sentence, and Section 374(4), first sentence*, “financial undertaking, a financial holding undertaking or an insurance holding undertaking” shall be changed to: “financial undertaking or a financial holding undertaking”.
85. In *Section 61(1), second sentence and Section 61(c)(2)*, “the financial undertaking, the financial holding undertaking or insurance holding undertaking” shall be changed to: “the financial undertaking or the financial holding undertaking”.
86. In *Section 61(5), no. 2*, “the activities mentioned in Sections 7–11” shall be changed to: “the activities mentioned in Sections 7-10, the activities mentioned in Section 14(1) of the Danish Insurance Business Act”.
87. In *Section 61(a)(1), no. 2*, and in three places in *Section 63(4)*, “the financial undertaking, the financial holding

undertaking or the insurance holding undertaking” shall be changed to: “the financial undertaking or financial holding undertaking”, and in *Section 61(a)(1), no. 3*, “the financial undertaking, financial holding undertaking or insurance holding undertaking” shall be changed to: “the financial undertaking or financial holding undertaking”.

88. In *Section 61(c)(2) and 63(2)*, “Financial undertakings, financial holding undertakings and insurance holding undertakings” shall be changed to: “Financial undertakings and financial holding undertakings”.
89. In *Section 63(1), first sentence, Section 197(1), Section 346(1), first sentence, and Section 347(a)*, “financial undertakings, financial holding undertakings and insurance holding undertakings” shall be changed to: “financial undertakings and financial holding undertakings”.
90. In *Section 64(7)*, “a financial holding undertaking, a mixed insurance undertaking or an insurance holding undertaking” shall be changed to: “a financial holding undertaking or a mixed insurance undertaking”.
91. *Section 64(8) and (10)* shall be repealed.  
Subsection (9) shall then become subsection (8).
92. In *Section 64(b)(1) and Section 182(1) and (2)*, “a bank, a mortgage-credit institution or an insurance undertaking” shall be changed to “a bank or a mortgage-credit institution”.
93. *Section 64(d)* shall be repealed.
94. In *Section 70(1) and (7) and Section 71(1) and 71(3), first sentence*, “financial undertaking, a financial holding undertaking and an insurance holding undertaking” shall be changed to: “a financial holding undertaking and a financial holding undertaking”.
95. *Section 72(b)* shall be repealed.
96. *Section 72(c)* shall be worded as follows:  
Regulations issued pursuant to *Section 72(a)(3)* shall not apply to the undertakings’ authentication of users by using the MitID solution, cf. the Danish Act on MitID and NemLog-in”.
97. In *Section 75(3)*, “credit institutions, the solvency requirement pursuant to *Section 124(2)*, *Section 126(4)* and *Section 126(a)(1)*, second sentence, the minimum basic capital requirement pursuant to *Section 126(2) and (3)*, the solvency capital requirement pursuant to *Section 126(c)* or the minimum capital requirement pursuant to subsection *126(d)*” shall be changed to: “credit institutions or the solvency requirement pursuant to *Section 124(2)*”.
98. In *Section 75(4)*, *Section 79(a)(1)* and *Section 199(9)*, “financial undertakings, financial holding undertakings and insurance holding undertakings” shall be changed to: “financial undertakings and financial holding undertakings”.
99. In *Section 75(a)(3), first sentence*, “an insurance undertaking and” shall be deleted, and “the undertakings” shall be changed to “the undertaking”.
100. In *Section 77(a)(6)*, “45” shall be changed to: “39”.
101. *Section 77* shall be repealed.
102. *Section 78(5), second sentence* shall be repealed.
103. In *Section 80(6)*, “bank, mortgage-credit institution or insurance undertaking” shall be changed to: “bank or mortgage-credit institution”.

- 104.** In *Section 101(b)(1) and (4)*, “Annex 8” shall be changed to: “Annex 2 in the Danish Insurance Business Act” and in *subsection (1)*, “cf. Section 160(2)” shall be changed to “cf. Section 177(2) in the Danish Insurance Business Act”.
- 105.** *The title* before Section 108 shall be repealed.
- 106.** *Sections 108-110* shall be repealed.
- 107.** *The title* before Section 111 shall be repealed.
- 108.** *Sections 111-114* shall be repealed.
- 109.** *The title* before Section 115 shall be repealed.
- 110.** *Sections 115 and 116* shall be repealed.
- 111.** In *Section 117(1), first sentence*, “actuaries” shall be changed to “actuaries” and “general agents and administrators in an insurance undertaking” shall be deleted.
- 112.** In *Section 117(1), second sentence*, “and insurance holding undertakings” shall be deleted.
- 113.** *Section 118(3)* shall be repealed.  
Subsections 4-6 shall then become subsections (3)-(5).
- 114.** In *Section 118, subsection (5)*, which shall become subsection (4), “subsections (1)-(4)” shall be changed to “subsections (1)-(3)”.
- 115.** In *Section 120(a)(1), second sentence*, “holding undertakings” shall be changed to: “holding undertakings” and “insurance holding undertakings” shall be deleted.
- 116.** In *Section 121(1)*, “Section 118(3) and (4)” shall be changed to: “Section 118(3)”.
- 117.** *Section 126 and 126(b)-126(g)* shall be repealed.
- 118.** Section 128(1) and (2) shall be repealed.  
Subsections (3) and (4) shall then become subsections (1) and (2).
- 119.** *Section 143(1), no. 1* shall be repealed.  
Nos. 2-7 shall then become nos. 1-6.
- 120.** In *Section 143(1), no. 2*, which shall become no. 1, “Section 126(1) and (4)” shall be deleted.
- 121.** In *Section 143(1), no. 3*, which shall become no. 2, “and the basic capital for group 2 insurance undertakings” shall be deleted.
- 122.** *The title* before Section 158 shall be repealed.
- 123.** *Section 158* shall be repealed.
- 124.** *The title* before Section 159 shall be repealed.
- 125.** *Sections 159, 160 and 167* shall be repealed.
- 126.** In *Section 175(a)(1)*, “or where the parent undertaking is an insurance holding undertaking” shall be deleted.
- 127.** *The title* before Section 175(b) shall be repealed.

- 128.** *Sections 175(b)-175(e)* shall be repealed.
- 129.** In *Section 179(1)*, “or an insurance holding undertaking” shall be deleted, and in *no. 1*, “or the solvency capital requirement for the group in *Section 175(b)(1), (2), (4) and (5)*” shall be deleted.
- 130.** In *Section 180, no. 1*, “or the solvency capital requirement for the group in *Section 175(b)(1), (2), (4) and (5)*” shall be deleted.
- 131.** In *Section 182(2)*, “the bank, mortgage-credit institution or the insurance undertaking” shall be changed to: “the bank or mortgage-credit institution”.
- 132.** In two places in *Section 199(1)*, “banks, mortgage-credit institutions or insurance undertakings” shall be changed to: “banks or mortgage-credit institutions”.
- 133.** In *Section 199(2), first and second sentences*, “financial undertaking, in a financial holding undertaking or in an insurance holding undertaking” shall be changed to: “financial undertaking or in a financial holding undertaking”, and in *Section 199(2), second sentence*, “a bank, a mortgage-credit institution or an insurance undertaking” shall be changed to: “a bank or a mortgage-credit institution”.
- 134.** In *Section 199(7) and (8)*, “holding undertaking” shall be changed to: “holding undertaking” and “in an insurance holding undertaking” shall be deleted.
- 135.** In *Section 199(12), first sentence*, “holding undertakings” shall be changed to “holding undertakings” and “in insurance holding undertakings” shall be deleted.
- 136.** *Section 200(3)* shall be repealed.
- 137.** *Section 200(a)* shall be repealed.
- 138.** *Section 204(2), fourth sentence* shall be repealed.
- 139.** *Section 204(5)-(10)* shall be repealed.
- 140.** *Section 205, no. 1* shall be repealed.  
Nos. 2 and 3 shall then become nos. 1 and 2.
- 141.** In *Section 205, no. 3*, which shall become no. 2, “mutual reinsurance undertakings and” shall be deleted.
- 142.** *The title* before *Section 222* shall be repealed.
- 143.** *Section 222* shall be repealed.
- 144.** In *Section 223* and *Section 224(1)*, “mortgage-credit institution, investment management undertaking and insurance undertaking” shall be changed to: “mortgage-credit institution and investment management undertaking”.
- 145.** In *Section 224(1), no. 1*, “regulations issued pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)” shall be deleted.
- 146.** *Section 224(6) and (7)* shall be repealed.  
Subsection (8) shall then become subsection (6).
- 147.** In *Section 226(1)*, “*Section 224(1), (2) and (6)*” shall be changed to: “*Section 224(1) and (2)*”.
- 148.** *Section 226(3) and (4)* shall be repealed.

149. *Sections 229-230(a)* shall be repealed.
150. *Section 231(2) and (3)* shall be repealed.
151. *Section 234(4) and (5)* shall be repealed.
152. *Section 234(a)* shall be repealed.
153. In *Section 236*, “a savings bank, a cooperative savings bank or a mutual insurance undertaking” shall be changed to: “a savings bank or a cooperative savings bank”.
154. *Sections 237 and 239* shall be repealed.
155. In *Section 241*, “savings banks, cooperative credit banks and mutual insurance undertakings” shall be changed to: “savings banks and cooperative credit banks”.
156. In *Section 242*, “and insurance undertakings” shall be deleted.
157. *Section 242(a)* shall be repealed.
158. In *Section 243(1)*, *first sentence*, “finance institution, investment management undertaking or insurance undertaking” shall be changed to: “finance institution or investment management undertaking”, and in the second sentence, “the finance institution, the investment management undertaking or insurance undertaking” shall be changed to: “the finance institution or investment management undertaking”.
159. *Section 243(2)* shall be repealed.
160. *The title* before *Section 248* shall be repealed.
161. *Sections 248-258* shall be repealed.
162. *The title* before *Section 253* shall be repealed.
163. *Title VIII.* shall be repealed.
164. In three places in *Section 343(q)(1)*, “insurance holding undertakings” shall be deleted.
165. *Title X.(g)* shall be repealed.
166. In *Section 344(1)*, *first sentence*, “Regulations issued pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)”, “Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs)”, “Regulations adopted pursuant to Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution,” and “Regulation 2019/1238/EU of the European Parliament and of the Council of 20 June 2019 on a pan-European personal pension product (PEPP)” shall be deleted.
167. In *Section 344(1)*, *second sentence*, “91 and 112” shall be changed to: “and 91”.
168. In two places in *Section 344(3)*, “Sections 7-11” shall be changed to: “Sections 7-10(a)”.
169. In *Section 344(11)*, *first sentence*, “holding undertaking” shall be changed to: “holding undertaking” and “an insurance undertaking” shall be deleted.
170. In *Section 346(3)* and *Section 349(1)*, *second sentence*, “the chief actuary” shall be deleted.

- 171.** *Section 346(4), third sentence* shall be repealed.
- 172.** In *Section 346(5)* and *Section 347(2)*, “insurance holding undertakings” shall be deleted.
- 173.** In *Section 347(1), first sentence*, “insurance holding undertaking” shall be deleted.
- 174.** In *Section 347(3)* and *Section 355(2), no. 1*, “holding undertaking” shall be changed to: “holding undertaking”, and “an insurance holding undertaking” shall be deleted.
- 175.** In *Section 347(4)*, “financial undertaking’s, a financial holding undertaking’s or an insurance holding undertaking’s” shall be changed to: “financial undertaking’s or financial holding undertaking’s” and “the financial undertaking, the financial holding undertaking or insurance holding undertaking” shall be changed to: “the financial undertaking or the financial holding undertaking”.
- 176.** *Section 347(9)* shall be repealed.
- 177.** In *Section 347(b)(1)-(4)*, “holding undertaking” shall be changed to: “holding undertaking”, and “the insurance holding undertaking” shall be deleted.
- 178.** In *Section 347(b)(6)*, “holding undertaking” shall be changed to: “holding undertaking” and “the insurance holding undertaking” shall be deleted.
- 179.** In *Section 348(1), first sentence*, “Section 43(1), (2) and (9)” shall be changed to: “Section 43(1), (2) and (8)”.
- 180.** In *Section 348(a)(1)*, “subsections (2), (8) and (9)” shall be changed to: “subsections (2) and (7)”.
- 181.** *Section 350(3)* shall be repealed and in subsection (4), which shall become subsection (3), “holding undertaking” shall be changed to: “holding undertaking” and “an insurance holding undertaking” shall be deleted. Subsection (4) shall then become subsection (3). *Section 350(b)* shall be repealed. Subsection (4) shall then become subsection (3).
- 182.** *Section 350(b)* shall be repealed.
- 183.** In *Section 351(4)*, “or order a group 1 insurance undertaking to remove an employee identified as a key function holder pursuant to Section 64(d)(1)” shall be deleted.
- 184.** In *Section 351(5), first sentence*, after “the member of the board of management does not fulfil the requirements of section 64(1), no. 3” shall be inserted: “or”, and “or if the key function holder in a group 1 insurance does not fulfil the requirements of Section 64(1), no. 3, cf. Section 64(d)(3)” shall be deleted.
- 185.** In *Section 351(9)*, “or has a group 1 insurance undertaking not removed an employee identified as a key function holder pursuant to Section 64(d)(1)” shall be deleted.
- 186.** In *Section 352(a)(1)*, “bankruptcy” shall be changed to: “bankruptcy or”, and “or where an insurance undertaking’s insurance portfolio has been placed under administration” shall be deleted.
- 187.** In *Section 354(3)* and *Section 354(b)(1)*, “Sections 43-60(e)” shall be changed to: “Sections 43-54”.
- 188.** In *Section 355(1)*, “the insurance holding undertaking” and “regulations issued pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)” shall be deleted.
- 189.** In *Section 355(2), no. 7*, “securities trading, mortgage-credit, and insurance or life assurance business” shall be changed to: “securities trading or mortgage-credit business”, and “Section 11(1)” shall be deleted.
- 190.** In *Section 355(2), no. 11*, “Section 8(5) and Section 11(9)” shall be changed to: “and Section 8(5)”.

- 191.** In *Section 355(2), no. 12*, after “subsections (1) and (3)” shall be inserted “and”, and “and Section 11(1)” shall be deleted.
- 192.** *Section 355(2), no. 14* shall be deleted.  
No. 15 shall then become no. 14.
- 193.** In *Section 355(3), first sentence*, “an insurance holding undertaking” shall be deleted.
- 194.** *Section 355(2), second sentence*, “liquidator” shall be changed to “liquidator” and “an administrator of a life assurance portfolio” shall be deleted.
- 195.** In *Section 359*, “insurance undertakings and branches” shall be changed to: “branches”.
- 196.** In *Section 361(1)*, “the Danish Financial Business Act” shall be changed to: “this Act and the Danish Insurance Business Act”.
- 197.** In *Section 363(a)(1)*, “Sections 7-11” shall be changed to: “Sections 7-10(a) of this Act and Section 14 of the Danish Insurance Business Act”.
- 198.** In *Section 366(2)*, “Section 294” shall be changed to “Section 251 in the Danish Insurance Business Act”.
- 199.** In *Section 372(1)*, “regulations issued pursuant to Directive no. 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)” shall be deleted, and subsection (4) shall be repealed.  
Subsection (5) shall then become subsection (4).
- 200.** In *Section 372(a)(1)*, “Directive 2009/138/EU of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)” shall be deleted.
- 201.** In *Section 373(1)*, “Section 11(1), (9) and (10)”, “Section 29(a), second sentence, Section 31(7), (8) and (10)”, “Section 36”, “Section 64(d)(3), cf. Section 64(5), cf. subsection (1), no. 3 and 4”, “Section 126(1) and (4), Section 126(a)(1)-(3), (5), (7) and (9), Section 126(c)(1)-(3), Section 126(d)(1), Section 126(e)(1), Section 126(f)(1), first sentence, Section 126(g)(1)”, “Section 248(a)(1) and (4), Section 248(b)(1)” and “Section 343(ø)(1)” shall be deleted, and “Section 347(2) and Section 417(c)(1), (2) and (4)” shall be changed to: “and Section 347(2)”.
- 202.** In *Section 373(1)*, “Section 118(5)” shall be changed to “Section 118(4)”.
- 203.** In *Section 373(2)*, “Section 23(5), (7) and (8) and Section 38(a)”, “Section 57(1)”, “Section 64(d)(1), (2) and (4)-(6)”, “Section 72(b)(2) and (3)”, “Section 108(1)-(5)”, “Section 126(b)(1), second sentence, and subsection (4), second sentence, Section 126(c)(5), Section 126(d)(4) and (6), Section 126(e)(4)”, “Section 167(1), (2) and (4), Section 175(1), (2), (4) and (9)”, “Section 230(a)(1)-(4)”, Section 283(1) and (2)” and “Section 417(a)(4), Section 417(b)(5), Section 417(c)(3)” shall be deleted.
- 204.** In *Section 373(3), first sentence*, “Section 29(2)” and “Section 126(c)(4), Section 126(f)” shall be deleted.
- 205.** In *Section 373(10)*, “Section 11(1), Section 31(10),” “Section 108(1), (2) and (4) and subsection (5), first sentence”, “Section 126(1) and (4)”, “Section 126(b)(1), second sentence, and subsection (4), second sentence, Section 126(c)(1) and (5), Section 126(d)(1), Section 126(e)(1) and (4), Section 126(f), first sentence”, “Section 248(1), Section 248(a)(1) and (4), Section 248(b)(1)” and “and Section 417(c)(1), (2) and (4)” shall be deleted.
- 206.** In *Section 373(11)*, “Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and” shall be deleted.

**207.** *Section 373(b)* shall be repealed.

**208.** In *Section 374(5)*, “The financial undertaking, the financial holding undertaking or insurance holding undertaking” shall be changed to: “The financial undertaking or the financial holding undertaking”.

**209.** *Section 397* shall be repealed.

**210.** *Section 400* shall be repealed.

**211.** *Sections 417(a)-417(d)* shall be repealed.

**212.** *Annexes 7 and 8* shall be repealed.

*Consequential changes in other acts than the Danish Financial Business Act*

**Section 336** The Act on Equal Treatment of Men and Women in insurance, pensions and similar financial benefits (lov om ligebehandling af mænd og kvinder i forbindelse med forsikring, pension og lignende finansielle ydelser), cf. Consolidation Act no. 950 of August 14, 2015, as amended by Act no. 706 of June 8, 2018, shall be amended as follows:

1. In *Section 15(1), second sentence*, after “Section 344-356 in the Danish Financial Business Act” shall be inserted: “and Sections 174, 259-262, 267-271, 273-278 and 280-303 in the Danish Insurance Business Act”.
2. In *Section 18(3)*, after “Section 354 in the Danish Financial Business Act” shall be inserted: “and Sections 285 and 288-290 in the Danish Insurance Business Act”.

**Section 337** In the Danish Act on Company Pension Funds, cf. Consolidation Act no. 355 of 2 April 2020, as amended by Section 7 in Act no. 1940 of 15 December 2020, Section 10 of Act no. 2382 of 14 December 2021, Section 12 of Act no. 2601 of 28 December 2021 and Section 4 of Act no. 409 of 25 April 2023, the following amendments shall be made:

1. In *Section 1(1)*, “the Danish Financial Business Act” shall be changed to: “the Danish Insurance Business Act”.
2. In *Section 2(2)*, “the Danish Financial Business Act” shall be changed to: “the Danish Insurance Business Act”.
3. In *Section 73(1)*, “Section 200 of the Danish Financial Business Act” shall be changed to: “Section 194 of the Danish Insurance Business Act”.
4. In *Section 81(6)*, “Sections 253-258 of the Danish Financial Business Act” shall be changed to “Sections 227-235 of the Danish Insurance Business Act”.
5. In *Section 84(2)*, “Sections 253-258 of the Danish Financial Business Act” shall be changed to “Sections 227-235 of the Danish Insurance Business Act”.
6. In *Section 87(2)*, “Sections 253-258 of the Danish Financial Business Act” shall be changed to “Sections 227-235 of the Danish Insurance Business Act”.
7. In *Section 117(2), second sentence*, “Section 373 of the Danish Financial Business Act” shall be changed to: “Section 312-319 of the Danish Insurance Business Act”.

**Section 338** In the Danish Insurance Mediation Act, cf. Consolidation Act no. 337 of 11 March 2022, as amended by Section 10 of Act no. 570 of 10 May 2022 and Section 4 of Act no. 480 of 12 May 2023, the following amendments shall be made:

1. In *Section 2(8)(a), b & c)*, “in Annex 7 of the Danish Financial Business Act” shall be changed to: “in Annex

1 of the Danish Insurance Business Act”.

2. In *Section 12(a), no. 2*, “Section 30(1) or Section 31(1) of the Danish Financial Business Act” shall be changed to: “Section 49(1) or Section 52(1) of the Danish Insurance Business Act”.

**Section 339** In the Danish Act on the guarantee fund for non-life insurers, cf. Consolidation Act no. 2067 of 12 November 2021, as amended by Section 1 of Act no. 480 of 12 May 2023, the following amendments shall be made:

1. In *Section 1(2), no. 2*, “Section 226(3), Section 242(a) or Section 243(2) of the Danish Financial Business Act” shall be changed to: “Section 200(3), Section 205 or Section 264(3) of the Danish Insurance Business Act”.

2. In *Section 14(3), first sentence*, “Section 243 of the Danish Financial Business Act” shall be changed to: “Section 264 of the Danish Insurance Business Act”.

3. In *Section 15(2), first sentence*, “Section 354 of the Danish Financial Business Act” shall be changed to: “Sections 285-290 of the Danish Insurance Business Act”.

**Section 340** In the Danish Act on a terrorism insurance scheme for non-life insurance, cf. Act no. 367 of 9 April 2019, the following amendments shall be made:

1. In *Section 17(4)*, “Section 354 of the Danish Financial Business Act” shall be changed to: “Sections 285-290 of the Danish Insurance Business Act”.

**Section 341** In the Danish Act on Financial Advisors, Investment Advisors and Housing Credit Intermediaries (lov om finansielle rådgivere, investeringsrådgivere og boligkreditformidlere), cf. Consolidation Act no. 2016 of 1 November 2021, as amended by Section 6 of Act no. 2382 of 14 December 2021 and Section 9 of Act no. 570 of 10 May 2022, the following amendment shall be made:

1. In *Section 9(1), no. 2*, “Section 5(1), no. 16 of the Danish Financial Business Act and” shall be changed to: “Section 5(1), no. 17, of the Danish Financial Business Act”, and after “Danish Act on Investment Firms and Investment Services and Activities” shall be inserted “and Section 9(1), no. 15, of the Danish Insurance Business Act”.

**Section 342** In the Danish Act on Approved Auditors and Audit Firms, cf. Consolidation Act no. 1219 of 31 August 2022, the following amendment shall be made:

1. In *Section 1(a)(1), no. 3, point (b)*, “financial undertakings, cf. Section 5(1), no. 1, points (a), (b) and (e), of the Danish Financial Business Act” shall be changed to: “banks and mortgage-credit institutions, cf. Section 5(1), no. 1, points (a) and (b), of the Danish Financial Business Act, and insurance undertakings, cf. Section 9(1), no. 1, of the Danish Insurance Business Act”.

**Section 343** In the Danish Market Act, cf. Consolidation Act no. 866 of 15 June 2022, the following amendments shall be made:

1. In *Section 1(2) and (3)*, “financial undertakings” shall be changed to: “banks and mortgage-credit institutions, cf. Section 5(1), no. 1, points (a) and (b), of the Danish Financial Business Act, insurance undertakings, cf. Section 9(1), no. 1 of the Danish Insurance Business Act, and investment firms, cf. Section 13(2), cf. subsection (1), of the Danish Act on Investment Firms and Investment Services and Activities”.

2. In *Section 29(2)*, “the Danish Financial Business Act” shall be changed to: “the Danish Financial Business Act, the Danish Insurance Business Act and the Danish Act on Investment Firms and Investment Services and Activities”.

**Section 344** In the Danish Administration of Justice Act, cf. Consolidation Act no. 1655 of 25 December 2022, the following amendment shall be made:

1. In *Section 225(2), no. 3*, after “the Danish Financial Business Act” shall be inserted “, the Danish Insurance Business Act, the Danish Act on Investment Firms and Investment Services and Activities”.

**Section 345** In the Danish Capital Gains Act, cf. Consolidation Act no. 172 of 29 January 2021, as amended by Section 2 of Act no. 1179 of 8 June 2021 and Section 3 of Act no. 2610 of 28 December 2021, the following amendment shall be made:

1. In *Section 34(5), second sentence*, after “the Danish Financial Business Act” shall be inserted “, the Danish Act on Investment Firms and Investment Services and Activities and the Danish Insurance Business Act”.

**Section 346** In the Danish act on taxes on non-life insurance (lov om afgift af skadesforsikringer), cf. Consolidation Act no. 1880 of 9 December 2020, the following amendment shall be made:

1. In *Section 1(3)*, “Annex 7 of the Danish Financial Business Act” shall be changed to: “Annex 1 of the Danish Insurance Business Act”.

**Section 347** In the Danish Act on the Collection of Debt to Public Creditor (lov om inddrivelse af gæld til det offentlige), cf. Consolidation Act no. 6 of 7 January 2022, as amended, among other things, by Section 1 of Act no. 2221 of 29 December 2020 and most recently by Section 1 of Act no. 331 of 28 March 2023, the following amendment shall be made:

1. In *Section 3(A)(2)*, after “the Danish Financial Business Act” shall be inserted: “and insurance undertakings subject to the regulations regarding honest business principles and good practice for insurance undertakings issued pursuant to Section 67(2) of the Danish Insurance Business Act”.

**Section 348** In the Danish Act on an Income Registry (lov om et indkomstregister), cf. Consolidation Act no. 284 of 2 March 2022, as amended by Section 1 of Act no. 2612 of 28 December 2021, Section 4 of Act no. 902 of 21 June 2022 and Section 1 of Act no. 489 of 15 May 2023, the following amendment shall be made:

1. In *Section 7(A)(2)*, after “the Danish Financial Business Act” shall be inserted: “and insurance undertakings subject to the regulations regarding honest business principles and good practice for insurance undertakings issued pursuant to Section 67(2) of the Danish Insurance Business Act”.

**Section 349** In the Danish Tax Assessment Act, cf. Consolidation Act no. 42 of 13 January 2023, as amended by Section 36 of Act no. 871 of 21 June 2022, the following amendment shall be made:

1. In *Section 5(4), no. 4*, “the Danish Financial Business Act” shall be changed to: “the Danish Insurance Business Act”.

**Section 350** In the Danish Pension Investment Return Tax Act, cf. Consolidation Act no. 12 of 6 January 2023, the following amendments shall be made:

1. In *Section 1(2), no. 7*, “Section 307 of the Danish Financial Business Act” shall be changed to: “Section 250 of the Danish Insurance Business Act”.
2. In *Section 1(2), no. 8*, “Sections 253-258 of the Danish Financial Business Act” shall be changed to: “Sections 227-235 of the Danish Insurance Business Act” and “Section 307 of the Danish Financial Business Act” shall be changed to: “Section 250 of the Danish Insurance Business Act”.
3. In *Section 1(2), no. 12*, “Sections 253-258 of the Danish Financial Business Act” shall be changed to: “Sections 227-235 of the Danish Insurance Business Act”.

4. In *Section 8(2) and Section 10(1), second sentence*, “the Danish Financial Business Act” shall be changed to: “the Danish Insurance Business Act”.
5. In *Section 14(1), second sentence*, “Section 5 of the Danish Financial Business Act” shall be changed to: “Section 9(1), no. 8, of the Danish Insurance Business Act”.
6. In *Section 18(1), no. 4*, “Section 204 of the Danish Financial Business Act” shall be changed to: “Section 195 of the Danish Insurance Business Act”.

**Section 351** In the Danish Pension Taxation Act, cf. Consolidation Act no. 1327 of 10 September 2020, as amended, among other things, by Section 1 of Act no. 2223 of 29 December 2020 and Section 1 of Act no. 2610 of 28 December 2021 and most recently by Section 3 of Act no. 1389 of 5 October 2022, the following amendments shall be made:

1. In *Section 2(2), sentence six, and Section 8(3)*, “the Danish Financial Business Act, Annex 8, III” shall be changed to: “the Danish Insurance Business Act, Annex 2, III”.
2. In *Section 3, no. 2, Section 4(1), no. 2, Section 8(1), no. 1 and Section 10(1), no. 1*, “Section 30(1)-(4) and (7)-(10) of the Danish Financial Business Act” shall be changed to: “Sections 49-51 of the Danish Insurance Business Act”.
3. In *Section 11(A)(1), no. 1, first sentence, Section 12(1), no. 1, first sentence, and Section 13(1), first and second sentences*, “Section 30 (1), (4), (5), (9) and (10) of the Danish Financial Business Act” shall be changed to: “Section 30(1), (4)-(6), (8) and (9) of the Danish Financial Business Act”.
4. In *Section 25(3), second sentence, and 25(4), second sentence, and 25(5), second sentence, and Section 29(A)(4), second sentence, and 29(A)(5), first sentence*, “the Danish Financial Business Act” shall be changed to “the Danish Insurance Business Act”.
5. In *Section 41(1), no. 8*, “the Danish Financial Business Act’s Sections 204-206” shall be changed to: “Sections 195 and 196 of the Danish Insurance Business Act”.
6. In *Section 51(1)*, “Section 30(1), (4), (5), (7), (9) and (10) of the Danish Financial Business Act” shall be changed to: “Section 30(1), (4)-(6), (8) and (9) of the Danish Financial Business Act or Sections 49-51 of the Danish Insurance Business Act”.

**Section 352** In the Danish Corporation Tax Act, cf. Consolidation Act no. 1241 of 22 August 2022, as amended by Section 1 of Act no. 905 of 21 June 2022 and Section 4 of Act no. 1389 of 5 October 2022, the following amendments shall be made:

1. In *Section 1(1), no. 5*, “Sections 294-303 of the Danish Financial Business Act” shall be changed to: “Sections 251-257 of the Danish Insurance Business Act”.
2. In *Section 3(1), no. 9 first sentence*, “the Danish Financial Business Act” shall be changed to “the Danish Insurance Business Act”.
3. In *Section 3(1), no. 18, and Section 32(1), no. 6*, “Section 307 of the Danish Financial Business Act” shall be changed to: “Section 250 of the Danish Insurance Business Act”.
4. In *Section 13(8), sentence seven*, “Sections 253-258 of the Danish Financial Business Act” shall be changed to: “Sections 227-235 of the Danish Insurance Business Act”.
5. In *Section 13(F)(1), second sentence*, “Section 5 of the Danish Financial Business Act” shall be changed to: “Section 9(1), no. 8, of the Danish Insurance Business Act”.
6. In *Section 17(A)(3), no. 4*, “Section 11(1) of the Danish Financial Business Act” shall be changed to: “Section

14(1) of the Danish Insurance Business Act”.

7. In *Section 35(M)*, “Section 215 of the Danish Financial Business Act” shall be changed to: “Section 19(b) of the Danish Act on Certain Commercial Undertakings”.

**Section 353** In the Danish Tax Reporting Act, cf. Consolidation Act no. 1754 of 30 August 2021, as amended by Section 2 of Act no. 2612 of 28 December 2021, Section 1 of Act no. 902 of 21 July 2022, Section 3 of Act no. 331 of 28 March 2023 and Section 3 of Act no. 489 of 15 May 2023, the following amendments shall be made:

1. In *Section 15(b)(2)*, after “the Danish Financial Business Act” shall be inserted: “and insurance undertakings subject to the regulations regarding honest business principles and good practice for insurance undertakings issued pursuant to Section 67(2) of the Danish Insurance Business Act”.
2. In *Section 19(a)(1)*, after “Financial undertakings” shall be inserted: “investment firms and insurance undertakings”.

**Section 354** In the Danish Tax Control Act, cf. Consolidation Act no. 283 of 2 March 2022, as amended by Section 3 of Act no. 2612 of 28 December 2021, Section 3 of Act no. 902 of 21 June 2022 and Section 3 of Act no. 905 of 21 June 2022, the following amendment shall be made:

1. In *Section 70(2)*, after “the Danish Financial Business Act” shall be inserted: “and insurance undertakings subject to the regulations regarding honest business principles and good practice for insurance undertakings issued pursuant to Section 67(2) of the Danish Insurance Business Act”.

*The Faeroe Islands and Greenland*

**Section 355** This Act shall not apply to the Faroe Islands and Greenland, but may, by Royal Decree, be put into force wholly or partly for Greenland with the exception of Sections 336 and 343-354 and with the deviations deriving from the special Greenlandic conditions.

(2) Sections 335 and 341 may, by Royal Decree, be put into force wholly or partly for the Faroe Islands with the deviations deriving from the special Faroese conditions.

*Done at Christiansborg Palace this 13th June 2023*

Under Our Royal Hand and Seal

MARGRETHE R.

/ Morten Bødskov

<sup>1)</sup> The Act contains provisions implementing parts of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), Official Journal of the European Union 2009, no. L 335, page 1, parts of Directive 2013/58/EU of the European Parliament and of the Council of 11 December 2013 amending Directive 2009/138/EC (Solvency II) as regards the dates of its transposition and application and the date of repeal of certain Directives (Solvency I), Official Journal of the European Union 2013, no. L 341, page 1, parts of Directive 2014/50/EU of the European Parliament and of the Council of 16 April 2014 on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights, Official Journal of the European Union 2014, no. L 128, page 1, parts of Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014 amending Directives 2003/71/EC and 2009/138/EC and Regulations (EC) No 1060/2009, (EU) No 1094/2010 and (EU) No 1095/2010 in respect of the powers of the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority), Official Journal of the European Union 2014, no. L 153, page 1, parts of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (Text with EEA relevance), Official Journal of the European Union 2015, no. L 141, page 73, parts of Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate, Official Journal of the European Union 2003, no. 35, page 1, parts of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, Official Journal of the European Union 2016, no. L 2, page 19, parts of Directive 2014/50/EU of the European Parliament and of the Council of 16 April 2014 on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights (the portability directive), Official Journal of the European Union 2014, no. L 128, page 1, parts of Directive 2017/828/EU of the European Parliament and of the Council of 17 May 2017 amending directive 2007/36/EC in terms of promoting long-term active ownership (the shareholder rights directive), Official Journal of the European Union 2017, no. L 132, page 1, and parts of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC and the Official Journal of the European Union 2013, no. L 182, page 19.

### Insurance activities – non-life

Classification of risks by means of classes of insurance.

- 1) Accidents (including industrial injuries and occupational illness): fixed pecuniary benefits, benefits in the nature of indemnity, combinations of the two, and passenger transport.
- 2) Sickness: fixed pecuniary benefits, benefits in the nature of indemnity and combinations of the two.
- 3) Fully comprehensive insurance for land vehicles (other than railway rolling stock): all damage to or loss of land motor vehicles and land vehicles other than motor vehicles.
- 4) Fully comprehensive insurance for railway rolling stock: all damage to or loss of railway rolling stock.
- 5) Hull insurance for aircraft: all damage to or loss of aircraft.
- 6) Hull insurance for ships (sea, lake and river and canal vessels): all damage to or loss of sea, lake and river and canal vessels.
- 7) Goods in transit (including merchandise, baggage, and all other goods): all damage to or loss of goods in transit or baggage, irrespective of the form of transport.
- 8) Fire and natural forces: all damage to or loss of property (other than property included in classes 3-7) due to fire, explosion, storm, natural forces (other than storm), nuclear energy or land subsidence.
- 9) Other damage to property: all damage to or loss of property (other than property included in classes 3-7) due to hail or frost, and any event such as theft, other than those mentioned under no. 8.
- 10) Third-party professional indemnity insurance for motor land vehicles: all liability arising out of the use of motor land vehicles (including carrier's liability).
- 11) Third-party aircraft liability: all liability arising out of the use of aircraft (including carrier's liability).
- 12) Third-party liability for ships (sea, lake and river and canal vessels): all liability arising out of the use of ships, vessels or boats on the sea, lakes, rivers or canals (including carrier's liability).
- 13) General liability: all liability other than those forms mentioned under nos. 10, 11 and 12.
- 14) Credit: insolvency (general), export credit, instalment credit, mortgages and agricultural credit.
- 15) Suretyship: direct suretyship and indirect suretyship.
- 16) Miscellaneous financial loss: employment risks, insufficiency of income (general), bad weather, loss of benefits, continuing general expenses, unforeseen trading expenses, loss of market value, loss of rent or revenue, indirect trading losses other than those mentioned above, other financial loss (non-trading) and other forms of financial loss.
- 17) Legal expenses: legal expenses and costs of litigation.
- 18) Assistance: assistance for persons who get into difficulties while travelling, while away from home or while away from their permanent residence.

### Insurance activities – life

Classification of risks by means of classes of insurance.

- I. General life assurance:
  - a) Life assurance (that is to say, the class of insurance which comprises, in particular, assurance on survival to a stipulated age only, assurance on death only, assurance on survival to a stipulated age or on earlier death and life assurance with return of premiums),
  - b) Annuities,
  - c) Supplementary insurance contracts underwritten in connection with life assurance (in particular, insurance against personal injury including incapacity for employment and insurance against death resulting from an accident or insurance against disability resulting from an accident or sickness).
- II. Marriage assurance and birth insurance:
  - a) Marriage assurance,
  - b) Birth insurance.
- III. Insurance attached to collective investment funds:
  - a) Life assurance (that is to say, the class of insurance which comprises, in particular, assurance on survival to a stipulated age only, assurance on death only, assurance on survival to a stipulated age or on earlier death, life assurance with return of premiums, marriage assurance and birth insurance),
  - b) Annuities,
- IV. Permanent health insurance (long-term sickness insurance): sickness insurance which is written for a long period and is interminable for the insurance undertaking in the entire period.
- V. Tontine: system entailing establishment of member associations with a view to joint capitalisation of contributions and payment of the resulting funds to either the survivors or to the heirs or beneficiaries of deceased members.
- VI. Capitalisation: activities based on actuarial calculation which include liabilities with a fixed term and amount against payment of a lump sum or predetermined regular payments.