

# Luxembourg

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INSURANCE  
COMPANIES

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REINSURANCE  
COMPANIES

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

## Regulation

**Regulator:** Commissariat aux Assurances (CAA)

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

**Minimum Capital Requirement:** EUR 1.2m (reinsurance captive), EUR 3.6m (reinsurance non-captive), EUR 3.7m (direct insurance)

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

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

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

## Licensing

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

**Duration:** Estimated 90 Business Days once complete

**Threshold for minority shareholder KYC:** 10%

## Governance

**Requirements for:**

**FTEs:** No

**Local Director:** No

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

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

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

**Outsourcing:** Well-admitted subject to governance and substance rules

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

**Domiciliation:** Provision of services subject to license authorisation from CAA

## ABOUT SRS

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

## Tax

**Equalisation Reserve Mechanism:** Permitted for reinsurance entities

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



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