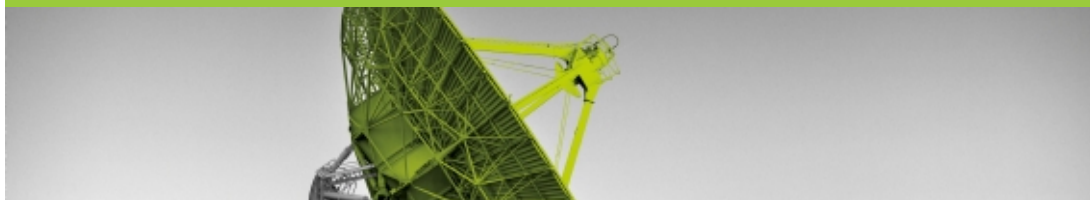


If you cannot see this email, please [click here](#).



Luxembourg Newsflash - 3 August 2022

Governance in the insurance sector - New CAA circular on the board of directors of insurance and reinsurance undertakings

On 29 July 2022, the Commissariat aux Assurances published a new circular letter setting out regulatory requirements for the composition and functioning of the board of directors of insurance and reinsurance undertakings.

On 29 July 2022, the Commissariat aux Assurances (“CAA”) published a new circular letter (the “22/15 Circular”) setting out regulatory requirements for the composition and functioning of the board of directors of insurance and reinsurance undertakings.

1. Scope

The 22/15 Circular applies to the following entities:

- insurance and reinsurance undertakings supervised by the CAA, with the exception of:
 - captive insurance undertakings;
 - captive reinsurance undertakings; and
 - non-captive reinsurance undertakings with gross annual premiums of less than EUR 100 million;
- insurance holding companies and mixed financial holding companies at the head of a group supervised by the CAA

(collectively referred to as “Undertakings”).

The 22/15 Circular applies to the administrative, management and supervisory bodies of Undertakings; *i.e.* the board of directors in monistic governance structures.

The 22/15 Circular specifies that it does not apply to the authorised manager (*dirigeant agréé*) of insurance and reinsurance undertakings as such – unless the authorised manager is simultaneously a board member.

2. Key requirements

The 22/15 Circular provides for the following key categories of rules:

- requirements for the collective and individual suitability criteria that Undertakings must meet;
- definitions of the concepts of independent director (*administrateur indépendant*) and non-executive director (*administrateur non-exécutif*);
- conditions under which a legal person may be appointed as a director;

- mandatory provisions that Undertakings' articles of association must include;
- requirements to notify the CAA of planned changes to board composition (e. appointments or departures);
- details on board functioning and how board meetings must be held and documented;
- details on the board's various duties and tasks;
- documents requiring formal board approval or of which the board must receive copies, and on which it must take action;
- requirements for using specialist committees

3. Key dates

The key dates for the application of the 22/15 Circular are:

- **30 September 2022**

- repeal date of the following existing CAA circular letters:
 - o Circular letter 96/1 on the supervision of directors of direct insurance undertakings;
 - o Circular letter 99/1 on the composition and functioning of the boards of directors of direct insurance undertakings;
 - o Circular letter 02/8 on the supervision of directors of reinsurance undertakings;
- date of application of the provisions of the 22/15 Circular on changes to board composition.

- **31 March 2023**

- date of application of the rules of the 22/15 Circular governing:
 - o board composition;
 - o the mandatory provisions to be included in Undertakings' articles of association;
- date by which each Undertaking must have documented an assessment of its overall governance system.

[Read the CAA circular letter 22/15 on the board of directors of insurance and reinsurance companies here_](#)

[If you need more information, please contact us or visit the website of our Insurance & Reinsurance team here_](#)

Definition

Insurance holding companies and mixed financial holding companies at the head of a group supervised by the CAA:

Insurance holding company or a mixed financial holding company as defined in Article 184, points 6 and 7, of the law of 7 December 2015 on the insurance sector, as amended (*i.e.* respectively: a parent undertaking which is not a mixed financial holding company and the main business of which is to acquire and hold participations in subsidiary undertakings, where those subsidiary undertakings are exclusively or mainly insurance or reinsurance undertakings, or third-country insurance or reinsurance undertakings, at least one of such subsidiary undertakings being an insurance or reinsurance undertaking of the EEA; and a parent undertaking, other than an insurance undertaking, a third-country insurance undertaking, a reinsurance undertaking, a third-country reinsurance undertaking, an insurance holding company or a mixed financial holding company, which includes at least one insurance or reinsurance undertaking among its subsidiary undertakings of the EEA).

your contacts

**PIERRE-MICHAËL
DE WAERSEGGER**

Partner
Insurance & Reinsurance Law

EMMANUELLE MOUSEL

Partner
Insurance & Reinsurance Law



[Learn more_](#)



[Learn more_](#)



Arendt & Medernach SA
Registered with the Luxembourg Bar
RCS Luxembourg B 186371

arendt.com

41A avenue JF Kennedy
L-2082 Luxembourg
T +352 40 78 78 1

This publication is intended to provide information on recent developments and does not cover every aspect of the topics with which it deals. It was not designed to provide legal or other advice and it does not substitute for the consultation with legal counsel before any actual undertakings.



I am informed that I can object to the processing of my personal data for marketing purposes at any time either by e-mail addressed to unsubscribe@arendt.com or by clicking [here](#).

[Update e-mails preferences](#) | [Forward this e-mail](#)