

The following text has been elaborated by the CAA for information purposes.

The texts published in the “Mémorial” are the only authentic versions.

Law of 27 July 1997 on the insurance contract¹

(consolidated version on 1st January 2020)

Art. 2 - Capacity of insurer

"1. Any insurance contract covering risks situated in the territory of the Grand Duchy of Luxembourg other than large risks within the meaning of Article 43, point 21, of the Law on the insurance sector or accepting commitments therein and concluded by an insurance undertaking which is neither approved nor authorised to carry out insurance operations in the territory of the Grand Duchy of Luxembourg pursuant to the abovementioned Law shall be null and void."²

"An insurance contract remains valid and its execution remains subject to the present law, in the event that an insurance undertaking from the European Economic Area or a third country loses its approval to carry out direct insurance operations in the Grand Duchy of Luxembourg while retaining its authorisation in its home State and that this contract has been validly issued or renewed by an undertaking authorised to work in the Grand Duchy of Luxembourg under the freedom of establishment or the freedom to provide services at the time of issue or renewal of this contract. Such a contract may not, however, be renewed or be the subject of any direct insurance transaction giving rise to the issue of premiums after the loss of authorisation. " ³

2. The nullity of the contract may only be invoked by the policyholder, acting in good faith, or by his legal claimants.
3. In the case of liability insurance, the nullity resulting from the application of this Article shall not be enforceable against injured parties.

¹ Mémorial A n° 65 of 3rd September 1997

² law of 7 December 2015

³ law of 19 December 2020