

**NON-EXHAUSTIVE LIST OF GENERAL GOOD RULES IN THE FIELD OF INSURANCE AND REINSURANCE DISTRIBUTION
IN THE GRAND DUCHY OF LUXEMBOURG EXCEEDING THE MINIMUM PROVISIONS OF DIRECTIVE (EU) N° 2016/97 (IDD)**

Latest update : 3rd August 2020

IDD PROVISION	CORRESPONDING NATIONAL PROVISION	SHORT DESCRIPTION
1. PROFESSIONAL AND ORGANISATIONAL REQUIREMENTS		
/	article 285-1, paragraph 1, LSA*	Persons involved in direct distribution and working within insurance undertakings established in the Grand Duchy of Luxembourg must hold an insurance agent's licence. This is to ensure that the same fit and proper requirements apply to both agents and staff of insurance companies directly involved in insurance distribution.
article 10 (2) (4) IDD (option not taken)	articles 285-1 and 288, paragraph 3, LSA	In order to assure adequate consumer protection, each reinsurance undertaking established in the Grand Duchy of Luxembourg must keep a record of their staff directly involved in reinsurance distribution. Each Luxembourg insurance undertaking must keep a record of the staff in their non Luxembourg EEA branches directly involved in insurance or reinsurance distribution. The persons filed on these records must accomplish their professional training according to articles 38 ff. of CAA regulation 19/01 relating to insurance and reinsurance distribution, as amended. Each year, before the 31st of January, each insurance and reinsurance undertaking established in the Grand-Duchy of Luxembourg has to communicate to the CAA the name of their staff members not having fulfilled the legally foreseen training requirements. The final verification of that conformity is made by CAA.
article 10 (3) IDD (option taken)	article 285-3 LSA	Insurance and reinsurance undertakings established in the Grand Duchy of Luxembourg are required to check every 3 years the good repute of their staff filed on the record they need to hold according to article 285-1 LSA. The staff needs to inform the employer as soon as possible of any new development in that respect. The same provision applies to insurance and reinsurance brokers established in the Grand Duchy of Luxembourg in respect of their sub-brokers. Article 49 of the amended CAA regulation 19/01 provides further guidance.
2. INFORMATION PROVIDED BY THE INSURANCE INTERMEDIARY OR INSURANCE UNDERTAKING		
/	article 295-8, paragraph 1, LSA	An insurance intermediary acting on behalf of one or more insurance undertakings must inform the customer of the name of those undertakings. An insurance intermediary acting on behalf of one or more other intermediaries, being natural or legal persons, must also inform the customer of the name of the intermediary or intermediaries on behalf of whom he works, the register of distributors in which these intermediaries are registered and their registration number.
article 29 (1) (3) IDD (option taken)	article 295-19, paragraph 1, subparagraph 3, LSA	Information relating to costs and related charges which must be given to (potential) customers in relation to IBIPs may be given in a standardised form.
3. ADVICE		
article 22 (2)(3)IDD article 29 (3)(3) IDD (option taken)	article 295-10, paragraph 1, LSA	Insurance distributors whose customers' usual residence or establishment is in the Grand Duchy of Luxembourg, must provide advice within the meaning of Article 279, paragraph 5, LSA, unless the customer agrees to waive this advice individually in writing and prior to any act of distribution.
article 29 (3) (4) IDD (option taken)	article 283-4, paragraph 2, LSA	Distributors whose customers' usual residence or establishment is situated in the Grand Duchy of Luxembourg, and who, in the context of pre-contractual information, inform their clients that they represent them, must base their advice on an impartial and personalised analysis.
/	article 295-20, paragraph 7, sub-paragraph 2, LSA	In addition to the obligation resulting from article 30 (5) IDD and referring to the conclusion of an insurance contract by means of distance selling and possibility resulting therefrom for the customer, upon its prior acceptance, to be provided with the suitability statement after the conclusion of the insurance contract, the suitability statement must be provided to such customer prior to the expiry of the withdrawal period foreseen in article 100 of the law of 27 July 1997 on the insurance contract, as amended. The said article 100 is applicable to individual life insurance contracts concluded for a period exceeding 6 months and foresees a withdrawal period of one month.
4. CONFLICT OF INTEREST		
article 22 (2)(1) IDD (option taken)	article 295-9, paragraph 1, point c) LSA	In addition to the information required by article 19 IDD, an insurance intermediary must inform his clients of the existence of any contract for the provision of services with a specific insurer that goes beyond the insurance distribution business.
5. CROSS-SELLING		
article 24 (7) IDD (option taken)	article 295-14, paragraph 6, LSA	The CAA may intervene on a case-by-case basis to prohibit the sale of an insurance contract with a service or ancillary product that is not an insurance contract, in the context of cross-selling, where it can demonstrate that such practices seriously harm consumers.
6. EXECUTION ONLY		
article 30 (3) IDD (option taken)	article 295-20, paragraph 3, LSA	Under the conditions foreseen by article 295-20, paragraph 3, LSA of the IDD, and without prejudice of article 295-10, paragraph 1, LSA, in case of IBIPs distributed without advice in Luxembourg, intermediaries or insurance companies may carry on these activities without having to obtain the information regarding a person's knowledge and experience in the investment field or determine the appropriateness of the insurance service or product for the customer.

* The abbreviation "LSA" refers to the law of 7 December 2015 on the insurance sector, as amended, which may be consulted on the website of the CAA, under the following link <http://www.caa.lu/fr/documentations/lois>.

Disclaimer : The present list of General Good Rules in the field of insurance and reinsurance distribution in the Grand Duchy of Luxembourg is made on a best efforts basis. Other General Good Rules applicable to insurance or reinsurance distributors may exist in the Luxembourg legal system. Distributors having the intention to operate in the territory of the Grand Duchy of Luxembourg are obliged to comply with all the relevant legislation and regulations applicable. CAA cannot be held liable for any errors, omissions or inaccuracies in the present list nor for its use. No rights may be derived from the present list. In case of discrepancies between the English version of the present document and the French text published in the "Mémorial A", the latter will prevail. Only the texts published in the "Mémorial A" constitute the authentic versions.