



France - Brexit for the Insurance Sector

INSURANCE HORIZONS

1 March 2021

By: Hamza Akli

- The French insurance supervisory authority, the ACPR, has confirmed that policies of UK and Gibraltar insurers, who are not licensed to write new business in France after Brexit, remain valid and must be executed in good faith.
- Those UK and Gibraltar insurers, who still have live policies with French policyholders, will need to write to those policyholders.

The Brexit plans of UK insurers have often involved putting their European business into run off before the UK left the EU single market at the end of the Brexit transition period on 31 December 2020. Many of those insurers have included all their EU policies in portfolio transfers to insurers with continuing EU licenses. Others have decided to rely on run off regimes that may be available in EU states for unexpired policies, and outstanding claims, or may not have been able to include all relevant policies in their portfolio transfers.

On 4 January 2021, the ACPR issued a press release advising that UK and Gibraltar insurers must personally inform their customers in France of the terms and conditions under which their insurance services will continue or cease to be provided. On the same day, the ACPR also published a list of UK and Gibraltar insurance companies who it considered to be affected.

The ACPR imposes two obligations on UK insurers:

- i. to set out on their websites the basis on which services to French customers will continue or cease to be provided; and
- ii. if the insurer ceases to provide services in France, to inform customers individually of their rights.

Importantly, the ACPR has confirmed that policies concluded with British insurers, who have now lost their European passport, remain valid and must be executed in good faith. British insurers must comply with their commitments until the end of the insurance contracts.

The ACPR's press release reflects an Order made on 22 December 2020, which obliged UK and Gibraltar insurers, that no longer hold the European passport in France, to provide, within 15 days (i.e. by 15 January) by registered letter or electronic registered letter, to their French policyholders with (i) policies in force, (ii) prescribed information including when policies will expire, and (iii) the means by which policyholders can assert their rights.

In addition, the ACPR expects those UK and Gibraltar insurers to make a second communication, by registered letter or electronic registered letter, two months before the end of the coverage period, recommending that the insured seek new cover from an insurer authorised to practice insurance operations in France.

The ACPR has said it will check compliance with these communication requirements.

[Return to Overview page](#)

AUTHORS



Hamza Akli

Counsel

Paris | T: +33 1 40 15 24 00

hamza.akli@dlapiper.com
