

## Insurance companies: are you ready for IDD?



**Michael Schweiger**

Partner

[michael.schweiger@loyensloeff.com](mailto:michael.schweiger@loyensloeff.com)

Getting ready for IDD requires advance preparation: two important areas include identifying affected employees and establishing training.

### **Insurance companies are distributors under IDD**

The Insurance Distribution Directive of 20 January 2016 has been in force in Luxembourg since local implementing legislation was passed on 10 August 2018.

Insurance companies now qualify as distributors for their activities which consist of the direct sale of insurance products. Among the numerous requirements, firms need to ensure that by 1 January 2020:

- they establish a list of the individuals working for the company (and its branches) who are directly involved in the distribution of insurance products and are not already registered as insurance agents; and
- they obtain authorisations for those individuals as insurance agents with the Luxembourg insurance regulator (Commissariat Aux Assurances).

In addition, insurance agents are now obliged to pursue regular training on a yearly basis covering insurance regulation, products sold, and marketing techniques.

### **To Do's for insurance companies**

- Identify the individuals in the company who are involved in insurance distribution;
- Register those individuals as insurance agents with the CAA before 1 January 2020; and
- Organise regular in-house training and a system for monitoring progress.