

MARKET BULLETIN

REF: Y4892

Title	Finland: Establishment authorisation and General Representative
Purpose	To inform the market that Lloyd's has obtained establishment authorisation in Finland and appointed a General Representative in Finland
Type	Event
From	Kim Swan, Senior Manager, International Regulatory Affairs General Counsel Division
Date	27 April 2015
Deadline	With immediate effect
Related links	Crystal report for Finland

Summary

Lloyd's underwriters have received authorisation to write insurance business in Finland on an establishment basis.

Lloyd's has appointed Mr Janne Lauha, partner of the law firm Castrén & Snellman Attorneys Ltd in Helsinki, as its and underwriters' General Representative for Finland.

Background

Following the granting of establishment authorisation in Finland, Lloyd's underwriters are permitted to underwrite all classes of insurance in Finland on an establishment basis with immediate effect. This is with the exception of medical malpractice, environmental damage insurance, motor vehicle liability insurance and term life business.

Freedom of establishment authorisation permits insurance to be underwritten in Finland by a branch of an insurance undertaking whose head office is located in another EU member state. For the purposes of Lloyd's, this permits Lloyd's underwriters to appoint coverholders in Finland to write risks located in Finland and provides the opportunity for managing agents to establish service companies in Finland.

The authorisation of Lloyd's underwriters to write risks located in Finland on a freedom of services basis remains in place and is unchanged. This may be done by coverholders

located in another EEA member state under a full or limited binding authority agreement (provided they obtain the appropriate passporting authorisation for Finland) or on an open market basis from London.

General good provisions

The insurance regulator in Finland (the Financial Supervisory Authority) requires insurers carrying on business in their territory on an establishment basis to comply with the 'general good' provisions. These provisions have been incorporated into Crystal, but for further information regarding the concept of the 'general good' please refer to Appendix 1.

Lloyd's General Representative

It is a requirement of the freedom of establishment authorisation for Lloyd's underwriters to appoint a General Representative in Finland. The contact details of Lloyd's General Representative in Finland are:

Mr Janne Lauha
Lloyd's General Representative for Finland
Castrén & Snellman Attorneys Ltd
PO Box 233
FI-00131
Helsinki

Tel: +358 20 7765 765
Fax +358 20 7765 001
E-mail: janne.lauha@lloyds.com

Lloyd's General Representative must be nominated to receive service of suit for establishment business.

Market development

Please note that the Lloyd's representative in Finland is a "Type 1" legal representative office which is the minimum required to enable underwriters to conduct establishment business. As such the office does not provide any additional services and underwriters wishing to obtain more information about business opportunities or market development in Finland should contact either the Lloyd's Nordic Regional Manager in Sweden or the Global Markets department in London (see contacts below).

FIL codes

The EU definition of the "Member State where a risk is situated", should be used to determine whether a risk is situated in Finland. This definition is set out in Article 2(d) of EU Directive 88/357/EEC (Second Non-Life Insurance Directive). The definition of a risk located in Finland is also available on Crystal.

The following FIL codes will apply to Finnish business.

Direct insurance	
Placing Route	FIL Code
Finnish risk placed under a full binding authority held by a coverholder in Finland. (Freedom of Establishment)	FIE1
Finnish risk not placed under a full binding authority held by a coverholder in Finland. (Freedom of Services)	FID1

The existing insurance FIL code for services business remains valid and is unchanged. The new insurance FIL code for establishment business will be used with immediate effect. The above codes will apply to premiums (including APs/RPs and declarations off binding authorities) and claims.

The current Finnish reinsurance FIL codes remain valid and unchanged:

Reinsurance		
Facultative	Non-proportional Treaty	Proportional Treaty
FIA2	FIA3	FIA4

Taxation

Finnish premium tax and the fire brigade charge may apply to premiums received in relation to risks located in Finland. Please refer to the Tax sections of Crystal.

Managing agents who are considering setting up a service company to write establishment business in Finland are reminded that they must obtain their own tax advice based on their individual operations and activities to ensure all Finnish tax obligations are met.

Further information

If you require information regarding the regulatory requirements for underwriting or placing Finnish business, please contact:

Lloyd's International Trading Advice
 Lloyd's Desk, Ground Floor, Underwriting Room
 Telephone: + 44 (0) 20 7327 6677
 Email: LITA@Lloyds.com
www.lloyds.com/crystal

If you require information regarding business opportunities in Finland, please contact:

Erik Börjesson
Lloyd's Nordic Regional Manager
Tel: +46 (0) 8 5452 5541
Email: erik.borjesson@lloyds.com

Appendix 1

General good provisions

Whilst the financial supervision of an insurance undertaking in the EU is carried out by its home state regulator, there are certain aspects of insurance supervision that remain exclusively subject to supervision by the host state regulator. Article 28 of EU Directive 92/49/EEC (Third Non-Life Directive) states:

“The Member State in which a risk is situated shall not prevent a policyholder from concluding a contract with an insurance undertaking...as long as that does not conflict with legal provisions protecting the general good in the Member State in which the risk is situated.”

Therefore, the insurance regulator of a Member State in which a risk is situated requires an insurer to comply with its ‘general good’ provisions. Such provisions may include those concerning marketing and selling and contract law in respect of mass (i.e. principally personal lines) risks.

The EU Non-Life Directives do not define the concept of “general good”. However a European Commission Interpretative Communication issued in 2000 provided some clarification on this point. The Interpretative Communication stated:

- “For such a measure to be justified as being in the general good, it:
- must not have been harmonised at Community level;
 - must be non-discriminatory;
 - must be justified by imperative requirements in the general interest;
 - must be objectively necessary;
 - must not duplicate rules of the country of origin;
 - must be proportionate to the objective pursued.”

The Interpretative Communication can be found in the following link.

[http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32000Y0216\(01\):EN:HTML](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32000Y0216(01):EN:HTML)

Premium taxes and other fiscal charges are also subject to the rules of the country where the risk is located.

A copy of the general good provisions for Finland can be found on Crystal under Reference/Insurance law and regulation.

The provisions have been incorporated into the Finland section of Crystal.