

Press release

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Uniform European insurance contract law: New perspectives for insurers

Differing national insurance contract laws in the various countries of Europe shape cross-border insurance business. Efforts to harmonize insurance contract law within the EU are underway. At a public event hosted by the FMA Liechtenstein in Schaan, experts discussed the model of a uniform insurance contract law and also illuminated the perspectives for the Liechtenstein insurance center.

Since Wednesday, 15 experts from various European countries have been meeting in Liechtenstein. On behalf of the European Commission, they are elaborating a European model law for insurance contracts. The meeting was concluded with today's event of the FMA, at which Mario Gassner, CEO of the FMA Liechtenstein, welcomed about 90 participants from Liechtenstein, Switzerland, Germany, and Austria.

Insurers in the countries of the European Economic Area (EEA) currently engage only in modest cross-border marketing of their products to clients abroad, although this would be legally permissible. This is to a large extent due to the fact that insurance contract law differs considerably among the individual European countries.

Facilitation of cross-border insurance business

The project of the European Union (EU) to establish a uniform insurance contract law is also of interest to the Liechtenstein insurance center. Because of the small domestic market, cross-border movement of services is very important to the life and non-life insurers domiciled in Liechtenstein. Cross-border insurers are heavily dependent on business with EU countries, all of which belong to the EEA. Uniform European insurance contract law would facilitate this cross-border business. For instance, the design of insurance products for the individual EEA countries would be simplified and the legal risks would be smaller. Since Liechtenstein's accession to the EEA in 1995, insurance companies have been able to establish themselves in Liechtenstein and market their products from here throughout the EEA with about half a billion inhabitants.

Prof. Dr. Helmut Heiss (Chairman of the Project Group on a Restatement of European Insurance Contract Law), Prof. Dr. Dr. h. c. mult. Jürgen Basedow (Member of the Project Group), Prof. Dr. Martin Schauer (Member of the Project Group) and Dr. Alexander Imhof (Deputy of the CEO of the FMA Liechtenstein) spoke at today's event in Schaan. The event was moderated by Prof. Dr. Anton K. Schnyder (Member of the Project Group). For the past 20 years, he has advised Liechtenstein on questions of insurance law.

In accordance with its legislative mandate, the Financial Market Authority (FMA) Liechtenstein ensures the stability of the Liechtenstein financial market, the protection of clients, the prevention of abuses, and the implementation of and compliance with recognized international standards.

As an integrated and independent supervisory authority, the FMA supervises the financial market participants in the Liechtenstein financial center. The FMA ensures implementation of international standards and participates in the preparation of financial market laws on behalf of the Government. The FMA is represented in all relevant supervisory organizations at the global and European level.

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