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**Law**

of 13 May 1998

**on International Insurance Contract Law  
(International Insurance Contract Act, IICA)**

I hereby grant my consent to the following Resolution adopted by Parliament:

## Article 1

*Scope of application*

- 1) The provisions of this Act shall govern the law applicable to insurance contracts with a non-domestic aspect, including reinsurance.
- 2) Unless otherwise specified in this Act, the Law on International Private Law shall apply.

## Article 2

*Terminology*

The insurance-specific terms used in this Act shall be read in accordance with Liechtenstein insurance supervision legislation.

## Article 3

*Free choice of law*

The contract shall be subject to the law chosen by the parties if:

1. the risk is situated in the Principality of Liechtenstein or in another State granting free choice of law, or
2. in the case of non-life insurance
  - a) the contract refers to a large risk according to article 11, paragraph 8 of the Insurance Supervision Act, or
  - b) the policyholder's habitual abode or headquarters is in the Principality of Liechtenstein or in another State granting free choice of law, or
  - c) the policyholder engages in industrial, commercial, or self-employed activities, the contract covers risks associated therewith that are situated in more than one State, and one of these risks is situated in the Principality of Liechtenstein or in another State that grants free choice of law, or
3. the contract is for reinsurance.

## Article 4

*Freedom of choice with respect to certain legal systems*

1) If, in the case of non-life insurance, the prerequisites for free choice of law pursuant to article 3 are not fulfilled, then the parties may in any event choose the law of the State in which the policyholder's habitual abode or headquarters is located, or the law of the State in which the risk is situated. If one of the States considered in this way grants more far-reaching options for choice of law, then the parties may make use of these options.

2) If the risks covered by a contract are limited to losses that may occur in a different State than the State in which the risk is situated, then the parties may also choose the law of this State.

3) If, in the case of life insurance, the prerequisites for free choice of law pursuant to article 3 are not fulfilled, then the parties may in any event make use of the options for choice of law granted by the State in which the risk is situated. If the policyholder is a natural person and if his habitual abode is in a different State than his State of citizenship, then the parties may also choose the law of the State of citizenship of the policyholder.

## Article 5

*Applicable law if no choice of law exists*

1) If, at the time the contract is concluded, the policyholder's habitual abode or headquarters is located in the State in which the risk is situated, then, for lack of permissible choice of law, the law of this State shall apply.

2) The law of the State in which the risk is situated at the time the contract is concluded shall also be applied in other cases for lack of permissible choice of law, unless the contract exhibits an even closer connection to a different State; in such a case, the law of this State shall be applicable.

3) If the risk is situated in several States or if the contract is divided into several independent parts, then the part of the contract with a stronger connection to a different State may be made subject to the law of this State.

## Article 6

*Reinsurance*

If there is no choice of law in the case of a reinsurance contract, then, as a rule, the law of the State shall be applicable in which the reinsurance policyholder maintains the establishment to which the contract refers at the time the contract is concluded.

## Article 7

*Compulsory insurance*

1) In the case of a compulsory insurance contract, the options for choice of law set out in articles 3 and 4 shall apply, with the modification with respect to these provisions that the State prescribing insurance coverage shall replace the State in which the risk is situated.

2) If no choice of law exists, a compulsory insurance contract shall, notwithstanding article 5, be subject to the law of the State prescribing insurance coverage. If, at the time the contract is concluded, the insurance requirement arises on the basis of the law of several States, then the law of the State shall be applicable to which the contract is most closely related; article 5, paragraph 3 shall apply *mutatis mutandis*.

3) If a State prescribes insurance coverage, then the law of this State shall be used to assess whether an insurance contract subject to the law of another State complies with the insurance requirement.

4) If an insurance undertaking must report the discontinuance of insurance coverage to the competent authorities of a State prescribing insurance coverage, then the non-existence of insurance coverage for a third party may only be used in rebuttal in accordance with the law of this State.

## Article 8

### *Protection of policyholders*

1) If a contract has been formed in connection with an activity directed toward the conclusion of such contracts that was engaged in by the insurance company or the persons used by the insurance company for this purpose in Liechtenstein, then any choice of law to the disadvantage of policyholders whose habitual abode or headquarters is in Liechtenstein shall be irrelevant to the extent that the provisions in question are obligatory Liechtenstein provisions for the protection of policyholders.

2) Paragraph 1 shall not apply if the policyholder has concluded the contract in the context of the policyholder's commercial or professional activity and the contract refers to a large risk according to article 11, paragraph 8 of the Insurance Supervision Act.

## Article 9

### *Breach of information duties under insurance law*

If, in the case that the risk is situated in the Principality of Liechtenstein, an insurance undertaking breaches its information duties arising from insurance legislation, then it may not invoke a deviation of the applicable law from the law of the State of the policyholder's habitual abode to the disadvantage of the policyholder.

Article 10

*Entry into force*

This Act shall enter into force on the day of its publication.

signed *Hans-Adam*

signed *Dr. Mario Frick*  
Prime Minister