

Table 2: European approaches

	Non-admitted acceptable?	IF NO are there any lines acceptable?	which?	IF YES are there any lines not acceptable?	which?
France	no	yes	risks linked to marine and air transport. Other lines only with an express written derogation granted by the French Ministry of Economy and Finance particularly on account of the non-existence of such cover or insufficient capacity of the European (States of the European Union) or French market, whatever the line of insurance. It should be noted that such derogation is difficult to obtain.	n/a	n/a
Germany	insurer within European Economic Area (EEA): non-admitted acceptable on FOS-basis Insurer outside of EEA: yes, if no intermediary is used by the insurer in Germany	n/a	n/a	compulsory classes	auto liability, aviation liability, pharmaceutical liability, nuclear liability, professional liability for certain professional guilds
Italy	no	no			
Spain	no	yes and special dispensation exists	marine cargo		
United Kingdom	yes			compulsory classes	motor third party, employers liability

	If admitted is the only form permissible, is allowance made for non-admitted coverage if a certain number of declinatures are made by the local market?	IF YES which lines of business?	how many declinatures?	premium tax or levies payable?	how much?	IF YES who has responsibility to pay (not collect)?
France	no	n/a	n/a	yes	the rates depend on the insurance lines	the client the insurer and the broker are jointly and severally liable for the payment
Germany	under very strict conditions and only if not possible to place cover with an EEA-insurer	n/a	n/a	premium tax yes, levies no	19% in general, lower rates for certain lines of insurance (FLEXA-Ins. 14%, life-ins. None)	insurer respectively insured
Italy	no			yes	varies up to 22.25% taxes	insured
Spain	only by special dispensation			all classes except: life, group pension, health, bonds, export credit, agricultural risks, goods and passengers in international transit, aviation and marine hull and reinsurance – tax fire – brigade charge combined fire/theft and householders – brigade charge	6% 5% 2,50%	insured insured insured
United Kingdom				all non-life direct business but note the following:	Insurance Premium Tax (IPT) – 5%	insured (insurer responsible for payment)

	Can reinsurance be placed overseas?	IF NO are there any exceptions?	IF YES are there limits/restrictions on?	type of risk that can be reinsured	amount that can be ceded	to whom the risk can be ceded?	Are taxes payable on reinsurance placements?	IF YES how much?	is it applicable to all risks?
France	yes		no	all	100%	to any reinsurer	no		
Germany	yes	n/a	no	facultative and treaty business on proportional or non-proportional basis	100%	approved insurers or re-insurers (S&P, Moodys, Fitch, AM Best)	for property: fire brigade charges	8%	only property
Italy	yes		no	all lines	99%	reinsurance companies	no		
Spain	yes		no	all	all	no defined limits	withholding tax	1,50%	yes
United Kingdom	yes		no	all	all	no defined limits	no		