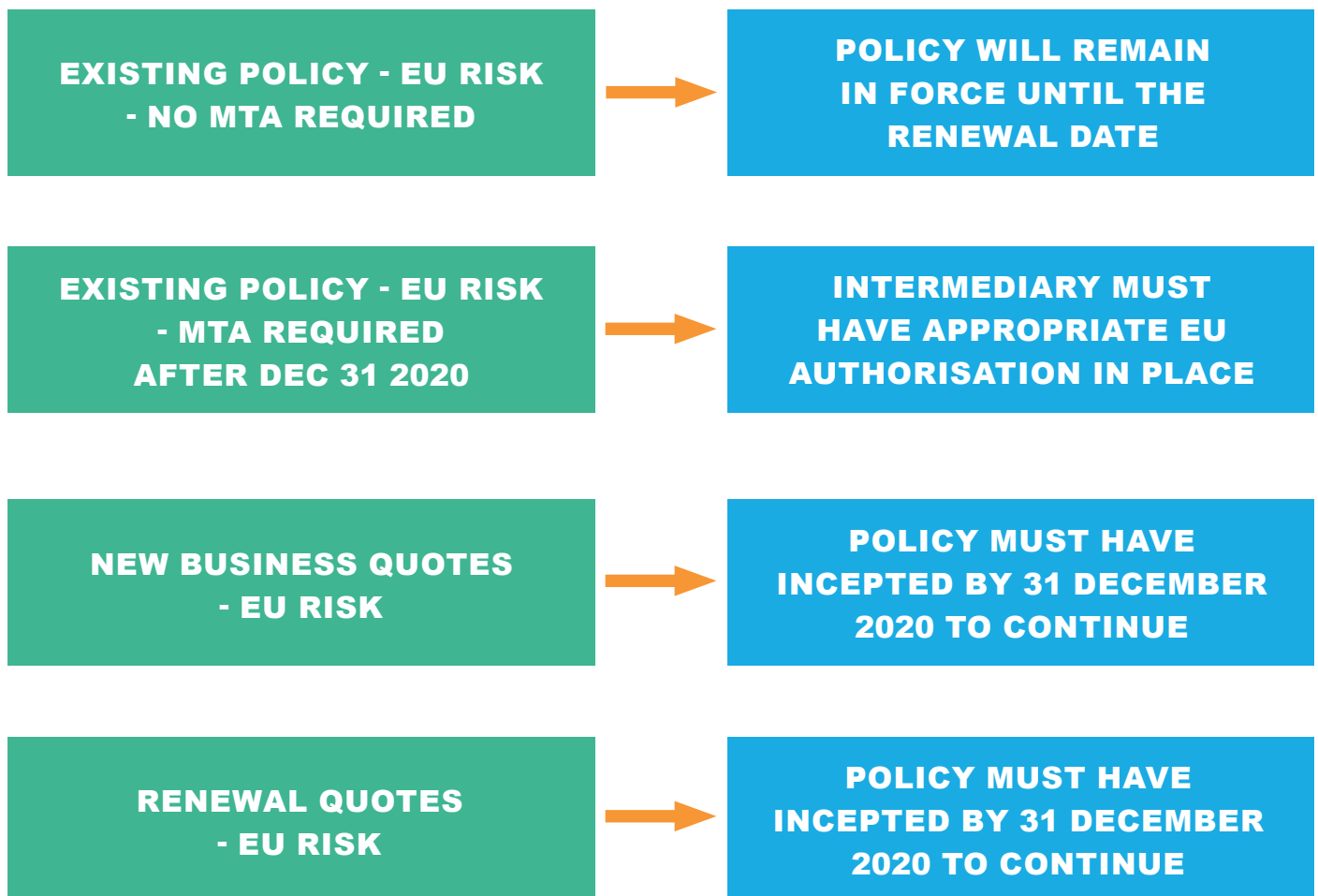


## BREXIT GUIDANCE

As the transition period has now ended and there has been no provision for a replacement for the Passporting regime, as of 1st January 2021 passporting to the EU will cease for UK-based firms and they will only be able to intermediate on EU risks for EU-based customers if they are authorised in the EU to do so. In addition, you will not be able to transact EU renewals or mid-term adjustments (MTA) on behalf of your customer.



## LOCATION OF RISK

You will need to identify the location of the risk to determine the regulatory rules that will apply. In broad terms, a risk may fall into one of four categories: Property, Travel, Vehicles or Other. The category determines which criteria to use to establish risk location.

**PROPERTY -  
COUNTRY IN WHICH THE PROPERTY IS SITUATED**



**TRAVEL POLICIES -  
THE COUNTRY IN WHICH THE PERSON TOOK OUT THE POLICY**



**VEHICLES (INCLUDES MOTOR VEHICLES, AIRCRAFT, SHIPS AND VESSELS) -  
COUNTRY OF REGISTRATION**



## ALL OTHER RISKS



**WHERE THE PERSON “HABITUALLY  
RESIDES”** (HAVING LIVED THERE FOR OVER A YEAR)



**WHERE THE ESTABLISHMENT IS SITUATED**

(E.G. LOCATION OF THE CUSTOMER'S BUSINESS)



## HOLIDAY HOMES

Following the end of the transition period, a UK intermediary will be subject to local laws and requirements of the relevant national regulators, relating to market access and to third country intermediaries for that EU territory. A UK intermediary distributing to EU policyholders and for EU risks, needs to be established and registered in the EU.

If a UK citizen owns a property in the EU and they are looking for an insurance policy underwritten by a UK insurer, arranged by a UK intermediary, the intermediary will need to clarify what is required by the local relevant authorities.

**Example:**



So far, in line with the relevant provisions of the Insurance Distribution Directive (IDD) it is being widely interpreted that a UK customer with an EU risk can be intermediated by a UK intermediary, however, as it is an EU risk it must now be insured by an EU insurer.

**Example:**



## POSSIBLE SOLUTION FOR UK INTERMEDIARIES

(WHO DO NOT HAVE PERMISSIONS IN THE EU)

Some firms have established subsidiaries within the EU which hold the necessary regulatory permissions and appropriate licences, which means they can operate within all EU territories. These schemes will continue to provide cover, designed specifically for second home owners in the UK and overseas, for a variety of property types.

