## KPMG Insurance Broker Brexit Navigator

Brexit creates new challenges for brokers on how they distribute and place cross-border insurance business. If they have not done so already UK brokers with European business will want to assess whether following Brexit they can continue to:

- service European customers and cover European risks;
- place business with European capacity providers;
- use their existing placement relationships, such as third party brokers or introducers operating in Europe.

Assuming that a broker wishes to retain this business, the broker may need to consider alternative structures or distribution partners so that it can continue to place this business in a post-Brexit world.

Looking beyond structural changes to their distribution channels and possibly setting up a separate EU27 registered intermediary, UK brokers will also need to consider how they will:



Take advantage of run-off or temporary permissions regime (where available), in compliance with local rules, which may allow Brokers to continue to service current EU customers. These regimes vary widely in nature and scope and a broker might wish to obtain legal advice or confirm with local regulators whether their business is eligible and they are able to pay existing EU claims.



Process mid-term adjustments (MTAs) to policies following the loss of an insurer's or broker's passporting rights. Regulators are likely to consider renewals and changes to existing insurance contracts as new business subject to relevant authorisation.



Issue Green Cards (international certificates of insurance) to motorists looking to drive their vehicles in the European free circulation zone post Brexit. Beyond the additional operational burden, firms will want to ensure that they are issuing documentation in line with the latest Motor Insurers' Bureau (MIB) guidance.



Consider UK residents looking to cover holiday homes located in Europe under global insurance policies. EIOPA's Recommendations appear to prohibit UK intermediaries from carrying out activities which target EU27 policyholders and EU27 risks.



Update their regulatory permissions and keep supervisors and commercial partners informed of changes. Such changes might also result in repapering commercial agreements and updates to Terms of Business Agreements (TOBAs).



Manage the transfer personal data between intermediaries, capacity providers and outsource providers both in the UK and Europe.



Communicate with policyholders whose contracts are affected by Brexit (including where their contracts have been transferred to a new capacity provider). Firms might need to consider additional staff support to handle an increased volume of customer queries and practical ways of making information more readily available.



Assess whether their customers' insurance coverage requirements have changed as a result of their Brexit planning. Some companies might require additional coverage where they expect to stockpile materials ahead of Brexit to avoid short-term disruption to their supply chains, for example.

## Contacts



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BIBA are working with KPMG to offer assistance to BIBA members who are considering the implications of Brexit on their business, including deciding whether they need to set up a subsidary, EU branch or make arrangements with a local wholesaler or distribution network to deal with existing European clients. For specific help for your business please contact the KPMG team.

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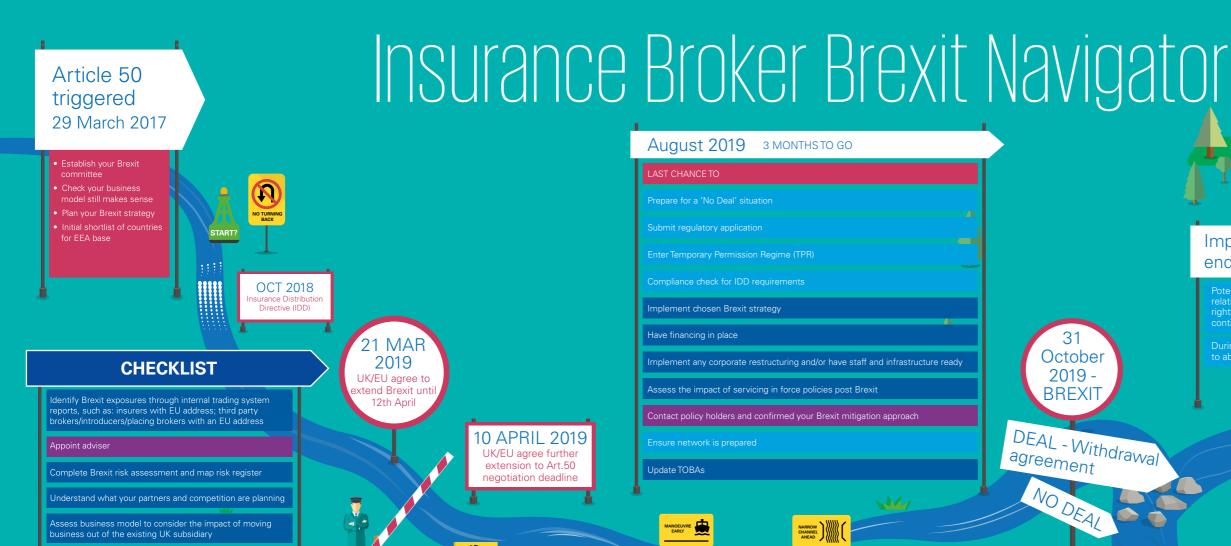


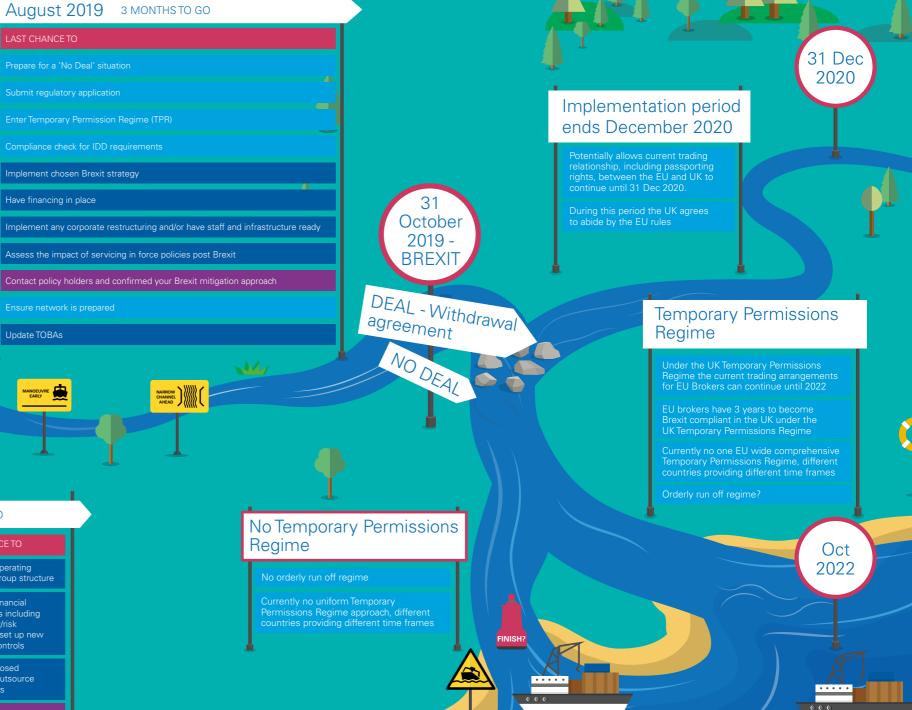
## Rrnker Rrexit

A guide for brokers with EU ties



kpmq.com/uk/insurance







If existing EEA subsidiaries/offices not suitable, choose a location for a new EEA intermediary based on

Identify EEA third party local brokers/networks/introducers in each EEA country

Set up agreements with EEA local networks for client EU touchpoints in each country

Select preferred operating model

Finalise your Brexit strategy

Finalise transition approach

Identify GDPR /data flow requirements

