



## **AXIS Insurance and AXIS Reinsurance Post-Brexit**

Updated January 17, 2022

The UK officially left the European Union on 31 January 2020 and following the end of the transition period on 31 December 2020, UK insurers were no longer authorized to underwrite European Economic Area ("EEA") insurance risks. Despite the challenges this has posed to the financial services industry, the structure AXIS has put in place ensures full regulatory and legal compliance, while also providing continuity of service to our partners and clients.

AXIS operates both within the EEA and the UK through multiple regulated platforms in Ireland, Belgium, Switzerland, Bermuda, and the United Kingdom. This structure allows us to continue to offer partners and clients the benefit of flexible insurance and reinsurance solutions, notwithstanding the changes to international insurance regulations and licencing arising from the UK leaving the European Union.

Below is a summary of the changes we've made to our structure to enable us to continue to operate both in the UK and EEA.

### **AXIS Insurance**

AXIS Insurance's Ireland-domiciled insurance company, AXIS Specialty Europe SE ("ASE"), has been operating through a branch in the UK since 2003. From 1 January 2021, this has been converted to a third country branch, operating under the direct supervision of the Prudential Regulation Authority ("PRA"), meaning there has been no break in continuity of service to partners and clients. This branch is currently operating under the PRA's Temporary Permissions Regime, while the regulator is processing our application for full authorization of a third country branch.

Our Lloyd's business is conducted through AXIS Managing Agency Limited ("AMA"), which manages Syndicate 1686. We have worked closely with Lloyd's Europe as it developed its post-Brexit solution, along with its updated processes to optimize the model. AMA writes EEA business through its reinsurance of Lloyd's Belgium-domiciled insurance company, Lloyd's Insurance Company S.A. ("LIC").

### **AXIS Reinsurance**

AXIS has also ensured that its reinsurance companies, AXIS Re SE ("ARe) and AXIS Specialty Limited ("ASL") are Brexit-ready.

ARe is domiciled in Ireland, with a branch in Switzerland, and writes reinsurance business in the EEA, UK, and the rest of the world. The UK has not imposed any restrictions on foreign reinsurers operating on a cross-border basis, meaning that ARe can continue to write UK business.

Similarly, ASL, which is domiciled in Bermuda, can continue to write UK business post-Brexit. Further to this, the European Commission had previously granted full equivalence to the Bermudian reinsurance regime under Solvency II, meaning ASL can write reinsurance business throughout the EEA on a cross-border basis.

We can also continue to write reinsurance in the EEA through AMA, either through our Syndicate 1686 or the LIC model, depending on the specific EEA territory.

Overall, whether we are writing direct insurance or reinsurance, AXIS has the platforms ready and available to service partner and client needs, whether located in the UK or EEA.