GERMANY

Managing General Agents: A Guide to the Global MGA Landscape

DLA PIPER

Introduction

Managing General Agents (MGAs) have become one of the insurance industry's most dynamic growth stories, with the global market now estimated at approximately USD 150 billion of premium. Yet they remain surprisingly difficult to define – the MGA structure is usually not recognised by law, so in different jurisdictions they have to operate within a wide range of broader intermediary and delegated authority frameworks. A structure that is straightforward in one country can require a very different licensing, governance or contractual approach in another.

That complexity is why we created this guide. It covers 26 jurisdictions across the same core topics: licensing, passporting, ownership and control, insurtech, product governance, premium handling and capital requirements.

This guide reflects our understanding of the law and market practice in each jurisdiction as at July 2026. Regulation in this area continues to evolve and individual jurisdictions may have introduced changes since publication. For advice on a specific jurisdiction, please contact that jurisdiction's key contact, or your usual DLA Piper adviser.

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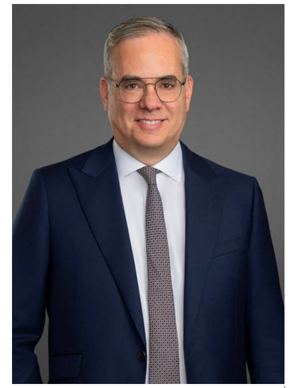

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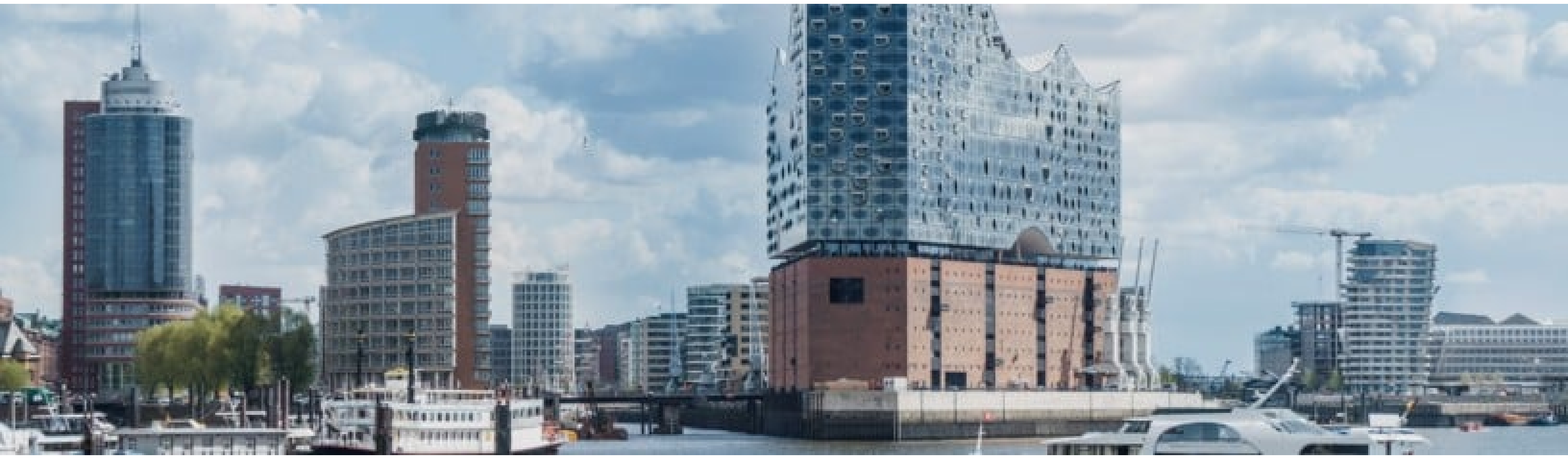

MGA status and classification

Parameter	Summary
Dedicated MGA category	No
Average authorisation timeline	3-4 months
Passporting	Yes
Insurtech sandbox	No Innovation hub only
Controller approval	No 10% notification

Germany classifies insurance intermediaries as insurance agents *(Versicherungsvertreter)* or insurance brokers *(Versicherungsmakler)*, with license granted and/or registration administered by the relevant local Chamber of Commerce and Industry (IHK).

MGA operations typically fall under the insurance agent classification, as agents acting on behalf of and with the authority of one or more insurers. The Federal Financial Supervisory Authority (BaFin) only exercises indirect supervision over insurance agents through its oversight of the insurers they represent based on delegated authorities within outsourcing structures.

An MGA may conduct regulated distribution activities (and carry out delegated /outsourced insurance functions) without being licensed if it operates as a "tied agent" and conducts its activities exclusively on behalf of one or, if the insurance products are non-competitive, several insurance companies authorized to conduct insurance business in Germany. The insurance company or companies must assume unlimited liability for the tied agent's distribution activities.

In the German market, the tied agent is an important significant type of insurance agent. Tied agents must adhere to similar post-licensing (good conduct)requirements as licensed insurance agents.

Authorization / licensing process and timeframe

Registration is obtained through the relevant IHK, which requires evidence of professional qualifications, good reputation and adequate financial arrangements in the form of PII. The process is well-established but involves multiple requirements. Licensing and registration with the local IHK usually takes three to four months and may be delayed where foreign professional expertise must be recognized. BaFin doesn' t directly authorize intermediaries but exercises significant influence through its supervision of insurers and their outsourcing arrangements.

Passporting / cross-border rights

Germany implements the IDD and provides full EEA passporting rights for properly registered intermediaries. However, German regulators have expressed discomfort with post-Brexit reverse branching structures, where UK-based entities seek to access the German market through EU-authorized intermediaries. This practical regulatory attitude should be considered when planning cross-border MGA structures involving Germany.

Insurtech considerations

Germany doesn't operate a formal insurtech regulatory sandbox. BaFin,which is not the competent authority directly supervising insurance intermediaries,maintains an innovation hub that provides guidance and support to innovative financial services businesses, but this falls short of a structured testing environment. The German regulatory approach tends to be thorough and compliance-focused rather than innovation-driven.

Controller / ownership approval requirements

IHK registration requirements include assessment of key personnel. Anyone applying for a license as an insurance intermediary must inform the relevant local IHK whether there are any direct or indirect shareholdings of more than 10% of the voting rights or capital of the applicant and, if applicable, in what amount and whether there is any natural person or legal person with "close links" to the applicant. Any change with regard to the direct or indirect shareholdings of more than 10% of the voting rights or capital of the insurance intermediary must be notified to the competent IHL post-completion.

Product oversight and governance

Germany has implemented the IDD’s POG requirements with stringent compliance expectations. Intermediaries are expected to maintain robust product governance processes, including target market assessment, product testing and ongoing monitoring. BaFin actively supervises compliance through its oversight of insurers and their cooperation with insurance intermediaries also in terms of POG.

Premium handling and client money rules

Strict client money segregation requirements apply. Premiums and other client funds must be held in designated segregated accounts. The requirements reflect Germany’s comprehensive approach to consumer protection and financial intermediary regulation.

Capital and PII requirements

In Germany, there are no minimum capital requirements for insurance intermediaries and MGAs. But they must have professional indemnity insurance in place with minimum insurance sums aligned with EIOPA guidance.

Key additional considerations

Germany represents a large and sophisticated insurance market with a robust but complex regulatory framework. The historical significance of MGAs in Germany, dating back to specialist marine underwriting agencies in Hamburg and Bremen, means the model is well understood. But the regulatory framework’s complexity and regulator’s discomfort with certain post-Brexit structures require careful navigation. MGAs should anticipate thorough regulatory engagement and invest in compliance infrastructure.

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DLA Piper is a global law firm with lawyers located in more than 40 countries throughout the Americas, Europe, the Middle East, Africa and Asia Pacific, positioning us to help companies with their legal needs around the world.

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