LUXEMBOURG

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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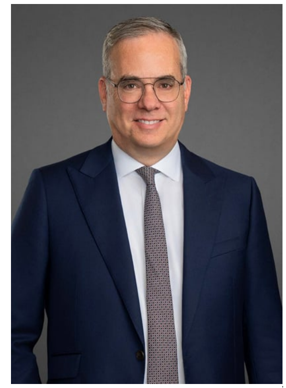

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MGA status and classification

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

Under Luxembourg law, an insurance intermediary (such as an insurance agency, or insurance broker) is defined as any *"natural or legal person [...] who, for remuneration, takes up or pursues insurance distribution activities under the law of 7 December 2015 on the insurance sector, as amended (the LIS)."*

Insurance and reinsurance companies and intermediaries in Luxembourg are authorized and supervised by the Commissariat aux Assurances (CAA). The CAA is the competent authority that can issue insurance intermediary licenses. In principle, the CAA requires that the MGA be an insurance intermediary (broker, insurance agency) or an ancillary insurance intermediary.

Authorization / licensing process and timeframe

The CAA authorization process typically takes approximately 90 days from submission of a complete application.

Passporting / cross-border rights

Luxembourg has fully implemented the IDD, and intermediaries authorized by the CAA can exercise full EEA passporting rights under both the freedom of establishment and freedom of services regimes. Luxembourg's position as a leading international financial center makes it a natural base for MGAs seeking to serve multiple European markets.

Insurtech considerations

Luxembourg doesn't currently operate a specific insurtech regulatory sandbox. However, the CAA and other Luxembourg financial regulators have demonstrated openness to innovation in financial services, and the broader Luxembourg fintech ecosystem provides a supportive environment for technologically innovative MGAs.

Controller / ownership approval requirements

If the MGA is an insurance intermediary, the Luxembourg regulations require the insurance intermediary to notify the CAA of: (i) the names of the shareholders or members holding more than 10% of the share capital of the insurance intermediary and the amount of such holding; (ii) the names of the parties with close links (if any) to the insurance intermediary; and (iii) evidence that the shareholdings or close links don't prevent the CAA from exercising its supervisory powers.

Product oversight and governance

Luxembourg's transposition of the IDD includes full product oversight and governance (POG) requirements. MGAs involved in product design or manufacturing must establish and maintain POG frameworks, including target market identification, product testing, and ongoing monitoring. The sponsor insurer may also play a role in the POG process.

Premium handling and client money rules

MGAs, as agents, typically act for insurers and are entitled (through delegation of powers from insurers) to collect policyholders' money and keep a portion of the premium, namely the gross of commissions and possible additional costs. Premium payments made in good faith by policyholders to "agents" are treated as having been made directly to insurers.

Capital and PII requirements

Luxembourg's PII and capital requirements are aligned with the EIOPA guidance.

Key additional considerations

The "Sponsor" concept is Luxembourg's most distinctive regulatory feature for MGAs and should be carefully considered at the planning stage. It creates a structured governance relationship between the MGA and its insurer partner that can provide regulatory comfort but also imposes obligations on both parties. Luxembourg's established status as an international financial center, combined with full EEA passporting rights, makes it an attractive jurisdiction for sophisticated MGA operations.

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About us

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