LATVIA

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.

Global key contacts

Leon Taylor
Partner
Global Chair, Insurance Sector
leon.taylor@dlapiper.com
Full bio

George Mortimer
Partner
Head of Insurance Regulatory
george.mortimer@dlapiper.com
Full bio

Luc Bigel
Partner
Head of Insurance, France
luc.bigel@dlapiper.com
Full bio

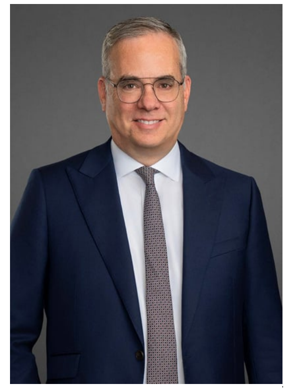
Dr Gunne Bähr
Partner
gunne.baehr@dlapiper.com
Full bio

Heng Loong Cheong
Partner
hengloong.cheong@dlapiper.com
Full bio

Naoise Harnett
Partner
naoise.harnett@dlapiper.com
Full bio

David Maria Marino
Partner
davidmaria.marino@dlapiper.com
Full bio

Aline Kiers
Legal Director
aline.kiers@dlapiper.com
Full bio



Robert Fettman
Partner
robert.fettman@us.dlapiper.com
Full bio

Samantha O'Brien
Partner
Head of Insurance, Australia
samantha.obrien@dlapiper.com
Full bio

Editors

Aline Kiers
Legal Director
aline.kiers@dlapiper.com
Full bio

Kirsten Shoraka
Knowledge Development Lawyer
kirsten.shoraka@dlapiper.com

Latvia

LAST MODIFIED 22 SEPTEMBER 2026

MGA status and classification

Parameter	Summary
Dedicated MGA category	No
Average authorisation timeline	1 month
Passporting	Yes
Insurtech sandbox	Yes Sandbox
Controller approval	No Qualifying holding notification

Latvia's insurance intermediary framework, supervised by the Bank of Latvia (formerly the FCMC), distinguishes between insurance broker companies (IBCs) and insurance agent companies (IACs).

An IBC operates independently and can arrange insurance with multiple insurers, while IACs are not permitted to offer similar products from multiple insurers, meaning they cannot engage in insurance distribution activities on behalf of and in the interests of two or more insurers offering identical or similar insurance products providing insurance coverage within the same class of insurance acts on behalf of one or more specific insurers.

The choice between the IBC and IAC routes has significant implications for the authorization process, the degree of regulatory oversight, and the operational flexibility. Most MGAs operating under delegated authority will find either category workable, though the IAC route may be more aligned with the typical MGA model as it acts in the interest of the insurer that respective MGA represents.

Authorization / licensing process and timeframe

The authorization pathway differs between IBCs and IACs. IBCs require direct authorization from the Bank of Latvia, with the process typically taking approximately 30 days from submission of a complete application.

IACs follow a simpler route; they're registered with the relevant insurer rather than directly authorized by the regulator, which significantly reduces the administrative burden and timeframe.

Passporting / cross-border rights

Latvia has fully implemented the IDD, and intermediaries authorized or registered in Latvia can exercise EEA passporting rights. This allows both IBCs and IACs to provide cross-border services throughout the EEA under either the freedom of establishment or freedom of services regimes.

Insurtech considerations

Latvia offers a regulatory sandbox that's available to insurance intermediaries seeking to test innovative distribution models and technologies. This sandbox provides a structured environment in which insurtech MGAs can develop and pilot new approaches under regulatory supervision.

Controller / ownership approval requirements

During the registration IBCs and IACs have to provide a list of shareholders or members who have a qualifying holding in the IBC/IAC, indicating the amount of their holding, and a confirmation that the participation of these persons in the activities of the IBC won't impede the Bank of Latvia in carrying out effective supervision of the IBC.

Product oversight and governance

In line with the IDD, Latvia requires insurance intermediaries involved in product design or distribution to maintain product oversight and governance (POG) frameworks. This includes identifying target markets, testing products before launch, and conducting ongoing monitoring of distribution outcomes. MGAs that play a role in product manufacturing are subject to heightened POG obligations.

Premium handling and client money rules

IBCs and ICAs are subject to client money segregation requirements, meaning premiums and claims funds held on behalf of clients or insurers must be maintained in segregated accounts.

The requirements for IACs are less prescriptive, reflecting the fact that IACs operate under the supervision of the appointing insurer. In the event of the bankruptcy of the IBC or ICA, only the claims of policyholders, insured persons, beneficiaries, and injured third parties can be satisfied from the separate account. The account must be opened with a regulated credit institution.

Capital and PII requirements

Latvia’s PII and capital requirements are aligned with EIOPA guidance. These requirements apply to IBCs directly and to IACs through the insurer’s own compliance obligations.

Key additional considerations

The key strategic decision for MGAs entering Latvia is whether to pursue the IBC or IAC route. The IBC route offers greater independence but requires direct authorization, while the IAC route is simpler and faster through insurer registration.

Latvia's EU membership and full IDD implementation provide a solid platform for EEA-wide operations through passporting.

Key contacts

Indrė Pelėdaitė
Partner
Sorainen (DLA Piper regular contact firm)
indre.peledaite@sorainen.com
View bio

Tomas Kontautas
Partner
Sorainen (DLA Piper regular contact firm)
tomas.kontautas@sorainen.com
View bio

Santa Rubīna
Counsel
Sorainen (DLA Piper regular contact firm)
santa.rubina@sorainen.com
View bio

For more information

To learn more about DLA Piper, visit dlapiper.com or contact:

George Mortimer
Partner
Head of Insurance Regulatory
george.mortimer@dlapiper.com
Full bio

Aline Kiers
Legal Director
aline.kiers@dlapiper.com
Full bio

Kirsten Shoraka
Knowledge Development Lawyer
kirsten.shoraka@dlapiper.com

About us

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.

dlapiper.com