

The insurance sector

- With 55 non-life insurance companies, 41 life insurance companies, 196 independent and captive reinsurance companies, Luxembourg is an important insurance and reinsurance centre in Europe
- 4,000 people are employed by the insurance sector in Luxembourg
- Luxembourg is a European hub for life insurance
- In turn, life insurances help protect family members

The EU freedom of services regime gives Luxembourg-based insurance companies the opportunity to serve their clients across Europe without the need to be physically established in each European country in which they operate. This has allowed the Grand-Duchy of Luxembourg to become a leading insurance market in the European Union.

Insurance contracts help people and businesses protect themselves against possible risks. This is important not only for businesses and families, but also for the well-being of our society as a whole.

We usually purchase car or house insurance to protect us from unlikely events such as a car accident or a house fire. This type of insurance is called non-life insurance. Companies and banks also insure themselves against risks associated with their economic activities. **Life insurance**, in turn, helps protect family members who may not be financially independent. The reason for buying a life insurance policy is to ensure that a family will continue to be financially secure in the event of the death of one of its members and should they be deprived of the monthly income. A father or a mother would, for instance, subscribe to a life insurance policy to protect his/her children if he/she should die prematurely. The children would then receive money from the life insurance similar to a retirement pension plan. However, a life insurance policy can also be a more complex instrument of wealth management.

Reinsurance is insuring an insurance coverage against an unlikely risk such as a major disaster. Quite often, an insurance company would use such reinsurance within the same insurance group to cover intra-group risks, a so-called "captive" reinsurance. Large companies can also create a "captive" insurance policy tailored to their specific needs. Luxembourg is an important insurance and reinsurance centre in Europe with 55 non-life insurance companies, 41 life insurance companies, 196 independent and captive reinsurance companies⁽¹⁾. **Together they employ over 4,000 insurance professionals in Luxembourg⁽²⁾.**



(1) List of providers, CAA, data for September 2020
(2) Annual report 2019, CAA, data for December 2019