

New Insurance Business Act

A new Insurance Business Act (Sw. Försäkringsrörelselag (2010:2043) (Act) will come into effect on 1 April 2011. The former Insurance Business Act (Sw. Försäkringsrörelselag 1982:713) and the Benevolent Society Act (Sw. Lag 1972:262) om understödsföreningar) are thereby abrogated.

The new Act contains modernized regulations applicable to insurance companies (Sw. försäkringaktiebolag), mutual insurance companies (Sw. ömsesidiga försäkringsbolag) and insurance societies (Sw. försäkringsföreningar).

The regulations in the new Act shall at large be applicable also to insurance societies, which was not the case in the former Insurance Business Act. This means that the insurance societies will be subject to rules regarding, amongst other things, authorizations, allocations, placing of security and minimum level of the asset base. The scope of the activities of the insurance societies is also extended in the new Act, enabling the societies to be able to pursue other types of insurance businesses than previously was the case.

The new Act contains specific rules on the respective form of legal association conducting insurance businesses. The insurance companies shall according to the new Act fall within the same regulations as limited liability companies in general, provided that specific rules in the new Act do not apply. This means that the Companies Act (Sw. Aktiebolagslagen 2005:551) will be applicable to insurance companies and that other legislation concerning limited liabilities companies will be applicable unless otherwise stipulated. On that account, an already incorporated limited liability company may apply for permission to conduct insurance business.

Mutual insurance companies and insurance societies will continue to constitute specific forms of associations. The act contains explicit provisions in this respect due to the specific nature of the relevant association. However, unless otherwise is stipulated in the Act, the general rules of the Economic Associations Act (Sw. Lag (1987:667) om ekonomiska föreningar) will apply to the associations.

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